



DOCTOR OF BUSINESS (DBA)

The challenges of managing an international branch campus An exploratory study

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Award date:
2015

Awarding institution:
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The challenges of managing an international branch campus: an exploratory study

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A thesis submitted for the degree of Doctor of Business
Administration (Higher Education Management)

University of Bath
School of Management

June 2015

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2. INTRODUCTION

This thesis is a study of the challenges of managing an international branch campus (IBC) of a UK university. Branch or satellite campuses are not a new phenomenon. Within the UK, the Universities of Leicester, Nottingham and Southampton all began as university colleges of the University of London, teaching a prescribed curriculum and acting as an examination centre for the University of London. Ironically perhaps, over a century after London provided higher education to the provinces, at least 13 provincial universities currently operate branch campuses in the capital, including Glasgow Caledonian University and the Universities of Liverpool, Cumbria, South Wales and Ulster (Quality Assurance Agency 2014).

Internationally, the University of Ceylon (now separated into the Universities of Colombo, Peradeniya, Vidyodaya and Kelaniya) was also set up as an international college of the University of London. After World War II, a number of Commonwealth university colleges of the University of London were established under the ‘scheme of special relationships’. These colleges offered University of London degrees and were provided with academic support to develop their systems and procedures so that they could eventually become independent. The group of Commonwealth colleges in the special relationship included the predecessors of today’s Universities of Ibadan, Nairobi, West Indies and Zimbabwe (Harte 1986).

The current wave of IBCs is, however, different from the university colleges of yesteryear in two important respects. First, today’s IBCs are the private initiatives of UK universities, rather than part of a wider development policy agenda driven by the UK or a foreign colonial government. Second, the IBCs are privately owned, either wholly or jointly by the UK universities, rather than being public institutions set up by a government. This is reflected in the titles of the new IBCs which either position them as an extension of the UK university (eg, University of Reading Malaysia, University of Middlesex Dubai) or highlight the nature of the educational partnership (eg, International University of Malaya Wales, Xi’an Jiaotong Liverpool University). The common thread connecting today’s IBCs to the past is that they follow the historical

convention of teaching curricula designed in the UK and awarding the degrees of the home university.

The 21st century version of the IBC is a relatively recent phenomenon. Prior to the conclusion of the ‘Uruguay Round’ of trade talks and the establishment of the General Agreement on Trade in Services (GATS) in 1995, non-tariff barriers effectively precluded trade in educational services in most markets. The oldest ‘modern’ IBC is the University of Nottingham Malaysia Campus, which was set up in 2000. Most of the UK’s IBC’s have been established only in the last ten years and a number — for example, the University of Reading Malaysia and Heriot-Watt University Malaysia — are still in their infancy. Building and operating an IBC represents a ‘brave new frontier’ for UK universities and this thesis sheds important light on the challenges involved.

The international strategy literature provides a valuable conceptual framework within which to organise these challenges. The globalisation of business is far more advanced than that of higher education and the management models much better understood. Multinational corporations (MNCs) have developed sophisticated techniques for managing extensive networks of overseas subsidiaries and have dedicated functional departments to oversee the movement of labour, goods, services and capital across national borders. A fundamental challenge for MNCs is to determine how much to localise their product or service to meet the needs of each national market. Universities face the same dilemma with their IBCs. Should they be ‘clones’ of the home campus, providing an educational experience which is identical to that on the home campus? Or should they localise the curriculum and pedagogy to adapt to the learning styles and context of the host market?

Unlike MNCs, however, UK universities are not huge corporations with HR and finance departments accustomed to dealing with transfer pricing, international tax issues and managing internationally mobile staff. They are stolid, UK-based organisations with a public sector ethos and a tradition of being managed by academics, rather than professional career managers. They are characterised by arcane governance structures, internal politics and glacial decision-making. More than half the UK universities (ie,

the former polytechnics and colleges of higher education) have been independent of local government control for less than 25 years and many still operate on the basis of employment contracts and working practices from this era. The scale of the IBCs relative to their UK campuses is, moreover, generally so small that the organisational ‘centre of gravity’ is overwhelmingly the UK-based operation.

A second difference between MNCs’ subsidiaries and IBCs is that, despite the advent of GATS, higher education remains a highly regulated sector. UK universities are subject to oversight by the national Higher Education Funding Councils, the Office for Fair Access (OFFA) and the Quality Assurance Agency (QAA). When they establish IBCs which provide UK degrees, the IBCs are subject to the same scrutiny by the QAA. At the same time, IBCs are regulated by the equivalent bodies in the host country, either arms-length organisations like the Malaysian Qualifications Agency (MQA) or the host Ministry of Education. Governments in many countries subsidise higher education, either indirectly by providing students with grants or loans to contribute towards tuition costs or directly by subsidising universities or operating them as part of the public sector. To control the cost to the taxpayer, they often impose enrolment caps; to meet public good objectives, governments may use a range of levers from moral suasion to purpose-specific grants to steer universities to admit students from underrepresented backgrounds or undertake research in particular areas. At the very least, IBCs must compete with subsidised, regulated local universities, but often they themselves are subject to the same regulation and control.

Because of these two important differences between MNCs and universities, the focus of this study is on the challenges of managing an IBC *as perceived by the IBC managers*. While there is a well-developed literature on principal-agent theory, much of the international strategy literature on localisation approaches the problem from an organisational perspective; that is, it couches the challenge to the MNC *as an entity* of determining the optimal degree of localisation. In the case of an IBC, the senior management of the home university may similarly take a view, in principle, of the optimal degree of localisation of the curriculum. But because the management systems of a UK university are so underdeveloped in terms of controlling a small IBC thousands of kilometres away, and because there are other equally powerful stakeholders in the

host country involved, it is the IBC manager *in situ* who has to balance these competing demands.

This study uses critical realism as the conceptual framework. This is because IBC managers are operating in the context of hard objective, external facts (government regulations, enrolment targets, financial budgets), but they nevertheless have to construct their own understanding of their objectives within the context of the wider social structures and power relations. For IBC managers, they are working in an alien culture where they may not speak the local language or fully comprehend the social norms and conventions. They have to work out what they think are the agendas of the host government, their joint venture partner and their competitors and what they believe their students want. They also have to interpret the home university's objectives, which may be vague or ambiguous given the differing objectives of the most senior leaders (eg, the pro vice-chancellor teaching and learning is likely to take a different view from the chief financial officer about the objectives of the IBC) and the shifting political alliances in the senior management team.

Using semi-structured interviews with IBC managers, mostly in their own offices at the IBC, this thesis finds that the managers feel pressure to localise the staff base, the curriculum (broadly defined to embrace content, pedagogy and assessment) and research. This pressure emanates from five main clusters of stakeholders: the home university, the joint venture partner, the host country (government, regulators and employers), competitors and students. The importance of the focus on the IBC managers is that, firstly, they generally report that the senior management of the home university typically exercises limited direct control, failing to understand the situation on the ground or making decisions in an *ad hoc*, sometimes contradictory way; in no case did any IBC manager report that they felt there was a clear strategic vision on the part of the home university management team for the development of the IBC. Second, the IBC managers are constantly encountering novel problems or issues that neither they, nor their senior colleagues at the home university, have ever encountered before and they have to use their judgement to achieve a resolution.

The analysis of the qualitative data shows that the global integration (I) – local responsiveness (R) paradigm represents a tractable framework for organising the dimensions of the IBC which may be localised to a greater or lesser extent. Further analysis of the objectives of the stakeholders suggests that IBC managers are generally driven to a high degree of localisation of the staff base, while experiencing considerable resistance to the localisation of the curriculum. Whether or not research is localised depends on the extent to which the priorities of the host country reflect wider international concerns (eg, climate change, energy sustainability).

The thesis is organised as follows. Chapter 3 provides a comprehensive review of the literature on IBCs, setting the phenomenon in the wider context of transnational education and then exploring what is already known about the main challenges of managing an IBC. Chapter 4 provides an overview of the methodological issues, justifying the use of critical realism as the conceptual framework and outlining the research design. Chapter 5 summarises the results of the analysis of the qualitative interview data, arguing that there are three main dimensions along which an IBC may be localised (staff, curriculum, research) and five main clusters of stakeholder, where stakeholder is defined as anyone who *can affect or is affected by* the activities of the IBC (in this case, the home university, the joint venture partner, home country, competitors and students). Chapter 6 discusses the implications of these findings for the way the I-R paradigm may be used to assess the choices that an IBC manager is likely to make regarding localisation and the way this may change over time. Chapter 7 concludes with a restatement of the main findings, consideration of the limitations of this study and reflections on the scope for future research in this important area.

Given the growing numbers of UK universities operating or developing IBCs, this thesis makes a contribution to the higher education management literature, by revealing the organisational complexity of IBCs and the difficulties that IBC managers face in balancing the competing demands of their home university with other, often more powerful stakeholders in the host country. This group includes, most obviously, the host government, which can exert an enormous influence over the operation of an IBC, to the point of determining whether it is even viable. The analysis also exposes the importance of selecting, training and supporting IBC managers, given the weight of

responsibility which rests on their shoulders and the need for them to feel empowered to make decisions in the light of local developments.

This thesis also makes a contribution to the international strategy literature by highlighting the importance of understanding, within the context of the I-R paradigm, the variables which can be localised for a given industry sector (in this case, higher education), the costs and benefits of localisation and the objectives and relative power of the key stakeholders with regard to each variable. It shows that, even though higher education is a highly regulated sector with very different objectives from a commercial MNC, the I-R paradigm can be operationalized in a way which helps to analyse the choices for the localisation of an IBC.

Finally, this thesis represents one of the first attempts to understand the challenges of managing an IBC from the lived experience of the IBC managers themselves, giving them a voice. IBCs have been an under-researched area and, if UK universities are going to continue to invest financial and reputational capital in their development, it is important that we learn from the rich practical experience and insights of those who have lived and worked at this new frontier.

3. LITERATURE REVIEW

3.1. Introduction

Over the last decade, the growth of the international branch campus (IBC) has been one of the most striking developments in the internationalisation of higher education. The notion of a major UK or US university setting up a satellite campus, normally trading under its own name and offering its own degrees, would have once been unthinkable. Higher education has historically been highly regulated and nationalistic, with public universities providing publicly subsidised education to local students and being constrained by arcane and conservative governance structures.

In their most recent survey for the Observatory on Borderless Higher Education (OBHE), Lawton and Katsomitros (2012) estimated that there were around 200 IBCs in existence across the world, with another 37 in development (see also British Council 2013, C-BERT n.d.). The Middle East emerged in the mid-2000s as a host region (Donn and Al Manthri 2010, Wilkins 2010, Miller-Idriss and Hanauer 2011). Education City in Qatar, for example, houses the satellite campuses of Cornell, Texas A&M, Carnegie Mellon and UCL. Dubai International Academic City is home to Heriot-Watt, BITS Pilani and Amity University.

The other major host region is east and south-east Asia (Banks and McBurnie 1999, Garrett and Verbik 2003, Huang 2003, 2007, Helms 2008, Gu 2009, Ilieva 2011, Welch 2011, Ziguras and McBurnie 2011). The University of Nottingham has campuses in Malaysia and China (Ennew and Yang 2009); the University of Liverpool has a branch campus in China in partnership with Xi'an Jiaotong University (Feng 2013). China now has several Sino-foreign universities. The Universities of Newcastle, Southampton and Reading have all recently opened campuses in Iskandar, Malaysia.

The growth of IBCs is at the leading edge of what has become known as 'transnational education', under which universities offer education to foreign students who remain within their own countries. The phenomenon of transnational education is generally

seen as the most advanced stage in the internationalisation of higher education (Mazzarol *et al* 2003, Hatakenaka 2004, Marginson and Van der Wende 2007, Doorbar and Bateman 2008, Healey 2008). Universities start to internationalise their teaching activities by recruiting foreign students to their home campuses (De Wit 2002, Mazzarol and Soutar 2002, Bennell and Pearce 2003, Altbach 2004). This is sometimes termed ‘export education’, as it is the educational equivalent of exporting services like tourism (where the foreign tourist has to visit the exporting country to consume the service). For universities in the most advanced export education countries like the UK and Australia, approximately one in five university students are foreign (OECD 2013).

There are, however, limits to the growth of traditional export education. Universities face capacity constraints. International students tend to be concentrated in subjects like business and engineering, which offer graduates the highest rate of return (in terms of higher lifetime earnings) on the costs of tuition and living abroad while studying. International student numbers cannot, therefore, be expanded beyond a certain point without distorting the shape and academic character of a university.

Perhaps more fundamentally, there is a limit to the number of students who are willing and able (financially and culturally) to study in a foreign country (British Council 2012, 2013, Healey 2013b). While the total number of students in tertiary education has grown rapidly over the last 30 years, the percentage that study outside their own country (ie, who are ‘internationally-mobile’) has remained fairly constant at around 2% (see Table 1).

Table 1: Global and internationally-mobile tertiary enrolments

	1980	1985	1990	1995	2000	2005	2010
Global tertiary enrolments (m)	51.2	60.3	68.7	81.7	99.9	139.0	178.0
Internationally-mobile (m)	1.1	1.1	1.3	1.7	2.1	3.0	4.1
Internationally mobile as % total	2.1%	1.8%	1.9%	2.1%	2.1%	2.2%	2.3%

Source: UNESCO 1998, n.d., OECD 2013

Transnational education allows universities to increase their international enrolments by offering their qualifications in third countries, competing for the 98% of the market for higher education that is *not* internationally mobile. Moreover, by establishing themselves in markets where the local higher education sector is too underdeveloped to satisfy demand, universities may actually increase global participation in higher education (Sidhu 2007, Vincent-Lancrin 2007, Lien 2008, Lien and Wang 2012, Tsiligiris 2013, McNamara and Knight 2014).

In the UK, where the issue of student immigration has become electorally controversial since 2010, the UK government has begun to view transnational education as an alternative means of diversifying university revenues. Describing transnational education as one of the ‘great growth industries of the future’, the UK Minister for Universities and Science claimed in April 2012 that ‘increasingly, emerging economies want to educate their students at home, and the UK – a global pioneer in developing educational facilities – is well placed to help... We not only have strengths in teaching and research but in design and construction of universities, mobilising finance, curriculum development, qualification accreditation and quality assurance’ (Willetts 2012a).

Speaking in September 2012, the minister reiterated that ‘opportunities for UK education overseas extend significantly beyond teaching students... Last year 400,000 overseas students came to the UK to study. But for the first time this was exceeded by the record 500,000 people who benefitted from British higher education while living abroad. I salute the trail blazers like Nottingham, Liverpool, Reading, UCL and Newcastle with campuses abroad’ (Willetts, 2012b).

Transnational education takes various forms (Knight 2005, 2006, 2007, McBurnie and Ziguras 2007, 2009, Burgess and Berquist 2012, Stiasny and Gore 2013). Universities can offer degrees by distance-learning or sub-contract local delivery partners to market, teach and assess their degrees. The IBCs of some of the UK’s leading universities are, however, the most tangible and high-profile form of transnational education. In the case of the Universities of Nottingham and Newcastle, their campuses in Asia are architecturally designed to mimic the most iconic buildings on the home campus. These

IBCs are an extraordinary projection of ‘soft power’ and widely viewed as the ‘third wave’ in the internationalisation of higher education (Mazzarol *et al* 2003, Altbach and Knight 2007, Altbach *et al* 2009).

In terms of the way they operate, relatively little is known about these IBCs (Girdzijauskaitė and Radzeviciene 2014). They are generally presumed to be foreign outposts of the home university, operating as remote satellite campuses, but adhering to standardised procedures and academic processes. Often, they are likened to foreign subsidiaries of multinational corporations (Bhanji 2008, Gore 2012, Salt and Wood 2014) and accused by their critics of amounting to ‘academic colonialism’ (eg, Nguyen *et al* 2009). In practice, however, the IBCs vary considerably in terms of their ownership and governance structures, their financial base and the regulatory environment in which they operate (Rumbley and Altbach 2007, Healey and Bordogna 2014). Much of the detail is shrouded in commercial secrecy.

Moreover, of the authoritative studies of IBCs that have been undertaken, most are classified as ‘grey literature’, representing work by organisations like the Quality Assurance Agency (2009, 2010a, 2012, 2013, 2014a), the British Council (2013), the Observatory for Borderless Higher Education (Garrett 2002, Garrett and Verbik 2003, 2004, Garrett 2004, Verbik and Merkley 2006, Becker 2009, Lawton and Katsomitros 2012), The UK Higher Education Unit (Fielden 2008) and the Leadership Foundation for Higher Education (eg, Fielden 2011, Emery and Worton 2014). The special feature of this work is that it is aimed at a practitioner audience and often only available to subscribing members.

From the perspective of the higher education sector, the challenge of managing an IBC is an area of great interest. Setting up and running an IBC exposes the home university to very considerable financial and reputational risk. There are a number of high-profile examples of IBCs which have failed and caused serious damage not just to the universities concerned, but the countries from which they originate. The financial losses are usually undisclosed, although occasionally there have been official investigations which uncover the extent of the damage. The University of New South Wales, for example, withdrew from its UNSW Asia IBC after only one semester in

2007 and a report from the state's auditor-generally revealed that the venture has lost just under A\$50m, as well as tarnishing the Australian higher education brand in Singapore (Observatory on Borderless Higher Education 2007).

As Girdzijauskaite and Radzeviciene (2014) note, 'an international branch campus is one of the most risky and unexplored entry modes to international markets in higher education and the topic of interest around the globe, however little knowledge has been gathered about this internationalisation mode' (p.301). The purpose of this chapter is to review what is presently known about the challenges of managing the IBCs of UK universities. The structure of the chapter is as follows. The first section explores the meaning of transnational education and the different forms that it can take, locating IBCs within the broader landscape. It then briefly reviews what is known about the scale and growth of IBCs globally.

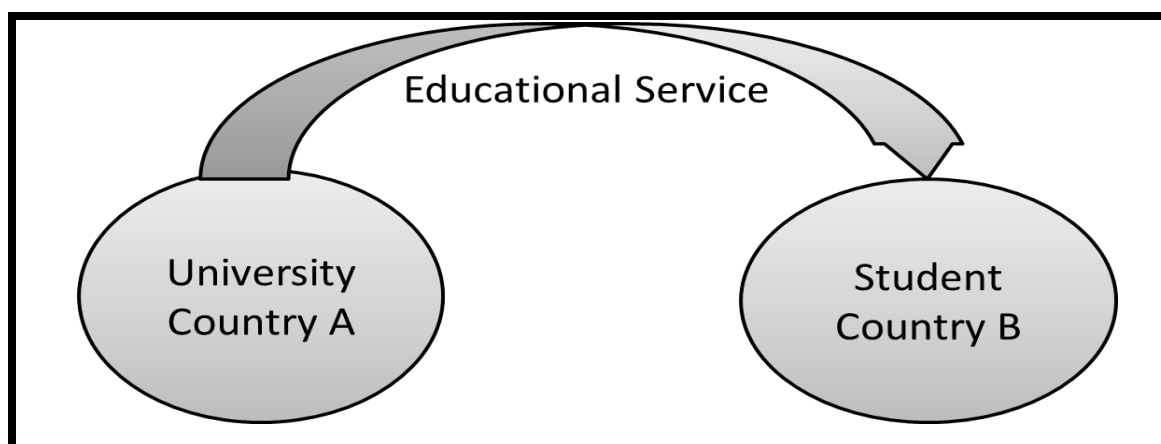
It then reviews the literature on the management of IBCs, which is presently in its infancy. To supplement this limited literature, it looks more widely to cognate areas, to better understand what international business theory suggests might be the challenges of using an IBC as a mode of market entry and, in many cases, the difficulties of managing an IBC which is set up as a foreign joint venture. Given that IBCs are, by their nature, start-up ventures, it also looks to the small business literature for the challenges of managing a small, but fast growing, company.

3.2. What is transnational education?

Transnational education is defined as 'any teaching or learning activity in which *the students are in a different country to that in which the institutional providing the education is based*' (Global Alliance for Transnational Education 1997, p.1, italics added). Put another way, transnational education includes 'all types of higher education study programmes, sets of study courses, or educational services (including those of distance education) in which the *learners are located in a country different from the one where the awarding institution is based*' (Council of Europe 2002, italics added).

At the heart of both these definitions is the fundamental *principle of transnationality*, namely that the student is in a different country from the university awarding the degree. Transnational education is thus essentially about the means by which the educational service is provided by the university in country A to students in country B (see Figure 1).

Figure 1: The principle of transnationality



3.3. Types of transnational education

The *principle of transnationality* begs the question of how the university in country A can provide the educational service to students in country B. There are two main ways to conceptualise the possible delivery mechanisms. One is to classify transnational education in terms of the institutional and contractual infrastructure that the university uses to deliver education; the other is by focusing on the elements of the service provision that cross the border.

3.3.1. The stages approach to transnational education

The first approach is derived from international business theory. The Uppsala ‘stages approach’ to internationalisation argues that companies internationalise incrementally, by first exporting their goods, then moving to licensing production to a partner in a third country (where the financial risk is primarily borne by the partner) and finally investing directly in their own production and distribution facilities (Johanson and Vahlne 1977,

1990). The underlying principle is that each stage is riskier than the one before, so that companies only move from exporting to licensing, and from licensing to foreign direct investment, as they acquire more knowledge about the third market and gain greater confidence.

There are countless examples from the corporate world of the way that companies penetrate new markets in a staged way. Coca Cola, for example, is sold in every country except Cuba and North Korea, but has never moved beyond licensing, producing syrup in the United States which is used by franchisees to make and bottle (or can) the final product for distribution in their own countries. Honda, on the other hand, has production facilities in a wide range of countries, including the UK and the US, but also licenses the production of out-dated models to foreign manufacturers in developing countries.

The main forms of transnational education represent each of three stages of internationalisation according to the stages approach: distance learning (exporting), franchising and validation (licensing) and IBCs (foreign direct investment); see Healey (2008). Consider each form in turn.

3.3.2. Distance learning

In higher education, the traditional equivalent of exporting has been for students to travel to the home campus to study. However, distance learning provides an alternative way of exporting education directly to students in their own countries. Students located in another country can access online programme materials, either independently or as part of an online, tutor-supported programme (Quality Assurance Agency 2010b).

Universities have engaged in distance learning education for many years. The University of London pioneered correspondence courses in the 19th century (Harte 1986). The UK's Open University used the medium of national television to broaden the reach of distance learning in the 1960s. The internet and the spread of smart phones have dramatically reduced the costs of providing distance-learning, allowing universities to reach increasing numbers of students around the world without leaving

their home campus. The recent emergence of ‘Massive Open Online Courses’ (MOOCs) and the huge global enrolments in popular courses have illustrated the enormous potential market for distance learning (Hoy 2014).

3.3.3. *Franchising*

The higher education equivalent of licensing production to a foreign partner is franchising or validation. Franchising involves entering a partnership with a foreign provider, under which the partner is *licensed* to market and teach the university’s degree in its own country, with no curricular input by the host institution (British Council 2013). The precise terms of franchise agreements vary widely, but generally the partner is responsible for providing the physical infrastructure (the teaching buildings, library, computing facilities), employing the academic and administrative staff who teach the degree, marketing and recruiting students and teaching and assessing the students. Importantly, students enrol with the local delivery partners (Drew *et al.* 2008). The university provides the intellectual property (ie, the curriculum content, learning outcomes) and oversees the quality of the teaching and assessment (British Council 2013). The partner bears most of the financial risk and normally pays the university a royalty fee per student, although financial arrangements vary widely.

3.3.4. *Validation*

Validation is a closely related form of licensing. In most respects the relationship between the university and foreign provider is the same as in a franchise. The main difference is that the curriculum (including the degree title) is developed by the partner and validated by the university (British Council 2013). If the proposed curriculum is deemed appropriate in terms of quality and meets the awarding partner’s degree standards, the university licenses the partner to market its qualification as an award of the university. Validation allows the curriculum to be more closely attuned to the context of the market in which it is being delivered. In some cases, the curriculum may be delivered in the local language, which makes the qualifications accessible to a much wider pool of students.

While US and Australian universities engage in franchising, validation appears to be a primarily UK practice. In the US, for example, regional accrediting bodies require franchised degrees to be identical to those taught on the home campus. One possible explanation for the difference may be that, until relatively recently, degree awarding powers in the UK were restricted to a relatively few institutions. Before 1992, only universities established by Royal Charter could award degrees. Many small colleges relied on local universities to validate their degrees. The polytechnics had their degrees validated by the Council for National Academic Awards (CNAA). The use of validation inside UK borders was thus widespread (Silver 1990). When the polytechnics gained university status and degree awarding powers in 1992, they already had the organisational infrastructure and experience to begin validating degrees themselves both in local colleges and, increasingly, offshore.

3.3.5. Joint Programmes

Joint programmes are not a separate stage of internationalisation, but a variant of franchising and validation. Although multiple definitions of the ‘joint programme’ exist, the QAA (2010b) defines it as a programme which allows offshore students to complete the university’s entire degree at a partner institution or to begin the programme in the partner institution and transfer to complete the degree at the awarding university.

The programme being delivered at the partner institution could, in principle, be either a franchise or a validation. For example, in the 1990s many UK universities offered their degrees through private Malaysian colleges on a ‘2+1’ basis, where the first two years were studied in Malaysia and the final year was completed by students coming to the UK. The Malaysia-based part of the programme was typically a franchise, to ensure a seamless transition to the UK for students as they moved onto the final year of the same degree.

As these colleges developed, they gained local degree-awarding powers, but some continued to want the academic credibility they had enjoyed by granting the degrees of UK universities. One solution was to design and award their own degrees, which were

validated by the UK university, so that the students could graduate with two awards. This form of joint programme is becoming increasingly popular in Malaysia as the status of private colleges is upgraded to university colleges.

In other countries, the early years of the degree may be franchised to the foreign partner, while the final year of the degree is taught at the foreign partner's campus by faculty from the awarding university on a 'fly-in fly-out' mode of delivery, which usually involves intensive block teaching (Smith, 2014). This variant combines franchising and distance-learning. As with the other forms, joint programmes are not a separate stage of internationalisation, but rather a mix of the more distinct stages like franchising and validation.

3.3.6. International branch campuses

International branch campuses (IBCs) represent the final stage of internationalisation, with the university establishing a satellite campus in a third country (British Council 2013). Currently the US has the most IBCs, followed by the UK and Australia (Salt and Wood 2014). Financially, an IBC is much riskier than franchising or validation. There are a number of examples of IBCs which failed to break even and were closed at a financial loss to the university. These examples include UNSW Asia in Singapore (closed in 2007), George Mason University in the United Arab Emirates (closed in 2009) and the University of East London in Cyprus (closed in 2013). In an earlier era, several US universities opened IBCs in Japan in the 1980s, which subsequently foundered in the protracted recession of the 1990s (Umakoshi 1997).

However, when they are successful, IBCs enable universities to project themselves as 'global universities'. The University of Nottingham and Monash have both used their IBCs around the world to position themselves as global brands (Sidhu 2009). These universities present themselves as global universities, with campuses in multiple countries, rather than as a university with its 'headquarters' in, say, Nottingham and small, dependent IBCs in developing countries. Systems and academic procedures are operated on a pan-university basis, to reinforce the model of a single university, with globally distributed campuses.

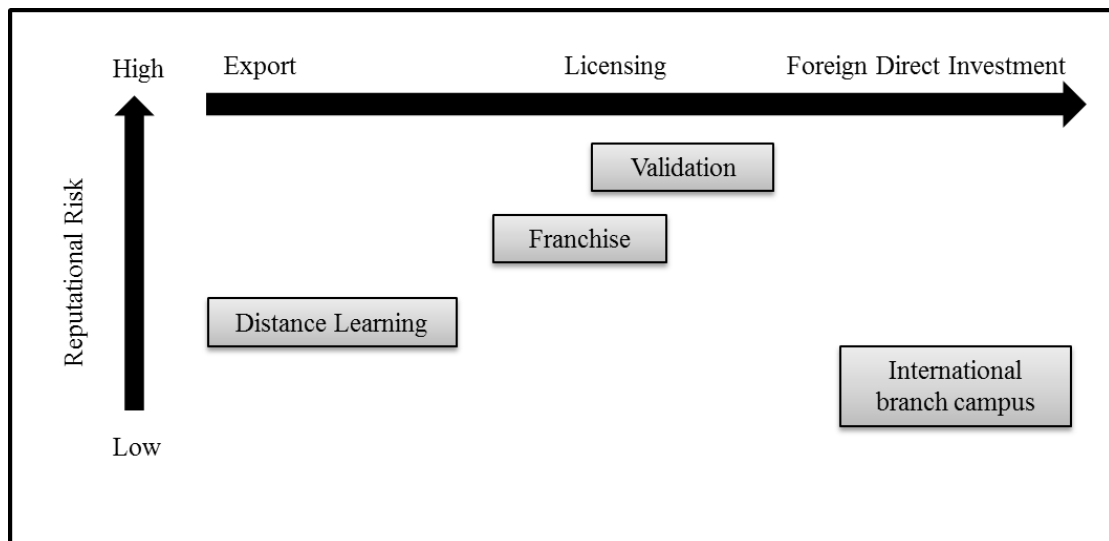
3.3.7. The stages approach and risk

The governmental agencies responsible for academic quality assurance have tended to adopt the stages approach to classifying transnational education, because it segments clusters of activity by the degree of potential risk (Healey 2014a) — see Figure 2. An IBC is the lowest risk in quality assurance terms, because the campus is a satellite of the home university. In principle, the university controls marketing and student recruitment, the hiring of academic and administrative staff, the systems and processes, and the delivery and assessment of the curriculum (British Council 2013). As noted above, universities often promote the IBCs as an integral part of a ‘global university’ and use staff and student mobility to ensure commonality of standards and learning outcomes.

Distance learning is slightly more risky than an IBC, as universities often rely on in-country agents to recruit and support local students (eg, providing local tutors to support the students’ learning, distributing and collecting course work). Distance-learning also brings new sources of risk. For example, a US Congressional investigation highlighted the difficulties of verifying the identities of students engaged in distance-learning and the resultant risk of fraud (Senate Committee on Health, Education, Labor, and Pensions 2010).

In franchised arrangements, the risk is increased because the partner employs the academic staff teaching and (usually) assessing the students. Validation represents the highest potential quality assurance risk, because the partner also designs the syllabus and, in some cases, may be teaching the course in a foreign language.

Figure 2: The stages of internationalisation *versus* reputational risk



3.4. The trade-based approach to transnational education

The alternative approach to classifying transnational education is based on the General Agreement on Trade in Services (GATS), which focuses on the part of the provision that crosses the border (Knight 2003, Ziguras and McBurnie 2008, Tilak 2011). Table 1 illustrates the four GATS modes. In relation to higher education, the four modes depend on whether it is the programme (distance learning), the student (in conventional export education), the institution (in the form of a franchise, validated centre or an IBC) or the academic staff which cross the border:

1. Mode 1 (programme mobility): universities supplying educational services across borders directly to students in their home countries, via distance-learning.
2. Mode 2 (student mobility): students consuming the education services by moving to the country of the university. This is the only GATS mode that is not transnational education, since in such export education, the students move to be in the country of the education provider and become classified as 'international students' at the home campus.

3. Mode 3 (institutional mobility): universities supplying educational services to students in their home countries through an in-country service provider. This in-country presence may range from a local college, which offers a university's degrees on a franchised or validated basis (see above), to the university establishing an IBC to teach students in a foreign market.
4. Mode 4 (staff mobility): universities sending staff abroad for short periods to deliver education services to students in their home countries. This form of mobility, known as 'flying faculty' (Seah and Edwards, 2006), involves staff going to the students, but unlike Mode 3, the staff may be away from their own universities for short periods from a few days to a couple of weeks and the universities may have no permanent physical presence in-country, often using rented space in a hotel or partner university.

As Table 2 shows, the GATS typology can be fairly easily mapped against the stages nomenclature. It might be argued it has less analytic value, since it classifies three very different forms of transnational education – franchise, validation and IBC – into one mode. On the other hand, it identifies another form of transnational education, the 'flying faculty' model, which is absent from the stages approach.

Table 2: A trade-based approach to transnational education

GATS terminology	Transnational education variant
Mode 1 — Cross border supply	Programme mobility: distance learning
Mode 2 — Consumption abroad	Student mobility: export education
Mode 3 — Commercial presence	Institutional mobility: <ul style="list-style-type: none"> • franchise • validated partner • international branch campus
Mode 4 — Presence of natural persons	Staff mobility: 'flying faculty' programmes

3.5. Identifying the size and scope of transnational education

It is notoriously difficult to gauge the global size of the current market for transnational education (Naidoo 2009). Most governments require universities which are teaching students in their jurisdiction to be registered with the Ministry of Education or a national regulatory body established for the purpose. For example, universities with IBCs in Dubai are regulated by the Knowledge and Human Development Agency (KHDA). Singapore established the Council for Private Education (CPE) to regulate private providers, including many colleges offering franchised or validated degrees from foreign universities. However, many host governments do not require providers to make statistical returns on the number of students enrolled in transnational programmes. Some forms of transnational education, like distance-learning, are impossible for host governments to monitor because the delivery is virtual.

At the other end of the pipeline, very few governments regulate and record their universities' offshore operations. The UK, Australia and Germany are the main exceptions (British Council 2013). In the UK, the data on transnational students are recorded and published by the Higher Education Statistics Agency (HESA) and universities' offshore activities are subject to audit by the Quality Assurance Agency (QAA). On a regular basis the QAA chooses a country for investigation, normally auditing around ten in-country operations at a time (QAA 2009, 2010, 2011, 2012). In 2014, the QAA audited UK providers in the Middle-East (QAA 2014).

3.5.1. Transnational education by UK higher education institutions

Table 3 shows the data on transnational enrolments for the UK. It reveals that, despite their high profile, the total number of students enrolled in the IBCs of UK universities is less than 20,000. Distance-learning is growing, although the growth is not steady (eg, there was a decline in 2010/11). 'Other arrangement including collaborative provision' relates to franchises, where the student is registered with the home university, but studies for the degree with the franchise partner.

Table 3: Transnational student numbers (headcount) by activity

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Registered at HEI:						
- overseas campus	7,120	9,885	11,410	12,305	15,140	17,525
- distance learning	100,345	112,345	114,985	113,065	116,520	123,635
- other arrangement incl. collaborative provision	59,895	68,595	74,360	86,630	96,060	103,795
Not registered at HEI but studying for HEI's award:						
- overseas partner organisation	29,240	197,185	207,790	291,575	342,910	353,375
- other	70	35	50	125	345	600
Total	196,670	388,045	408,595	503,700	570,925	598,930

Source: HESA

‘Overseas partner organisation’ captures students who are studying for the UK university’s award, but registered with the overseas partner rather than the UK university. This category shows spectacular growth, up from less than 30,000 in 2007/08 to over 350,000 by 2012/13. This growth has confused many observers and led to an impression that transnational education is now more significant than traditional export education, because there are more transnational students (598,930 in 2012/13) than international students on campus (425,265 in 2012/13).

However, most of this growth is a reporting artefact (Healey 2013b). Oxford Brookes University has an arrangement with the Association of Chartered and Certified Accountants (ACCA), under which any student who enrolls in the level 3 ACCA qualification is entitled to write a dissertation and obtain a ‘top-up’ degree from Oxford Brookes within ten years of completing the ACCA award (Oxford Brookes University 2012). In 2008/09, Oxford Brookes began reporting these ACCA students to HESA as students with an ‘overseas partner organisation’. This number amounted to 260,000 by 2012/13 (half the UK total), although only about 5,000 are actively engaged in the dissertation at any one time.

Although the UK statistics are grossly inflated by the so-called ‘Oxford Brookes’ effect, there is an offsetting underestimate because of the way that data for students in validated centres is gathered. Until 2014, the guidance to reporting institutions was that ‘where your institution is validating awards for an institution outside the UK these students should not be included within the aggregate offshore record. Only students who are registered at your institution or are studying for an award of the reporting institution should be reported in this record’ (HESA 2009). This means that transnational students in validated centres are not included in the data.

HESA has recently altered its guidance to reporting institutions to rectify this omission. The guidance for the 2013/14 return is that the ‘other’ category should be used to return students where ‘the reporting institution validates the award of an overseas institution and the student is neither registered at nor taught by the reporting institution’ (HESA 2014). It is likely that when the 2013/14 data are published, the numbers in the ‘other’ category will increase from the low figure of 600 in 2012/13. A study commissioned by the UK government in 2014 estimated that validation accounted for 43,784 enrolments in 2013/14 (Department of Business, Innovation and Skills 2014).

3.5.2. International branch campuses: the UK picture

Table 4 shows the 13 universities that reported enrolments to HESA for students studying wholly at an overseas campus in 2012/13. The first three have well-known IBCs in China and Malaysia (Nottingham) and Dubai (Heriot-Watt and Middlesex). The University of Liverpool does not report enrolments at its joint venture, Xi’an Jiaotong Liverpool University, to HESA as being students at an IBC, highlighting the definitional difficulties discussed further below. The remaining universities have very limited enrolments, either because they are essentially operating their IBCs as executive education training centres (eg, London Business School, University of Exeter) or because they are on the very early stages of development (eg, University of Newcastle, University of Wales Trinity Saint David, University of Southampton).

Table 4: Enrolments at UK international branch campuses by institution, 2012/13

Higher education institution	HE aggregate offshore students at overseas campus of reporting HEI
University of Nottingham	9,220
Heriot-Watt University	3,735
Middlesex University	3,050
University College Birmingham	320
University of Kent	280
London Business School	275
University of Newcastle	250
University College London	220
University of Exeter	70
University of Wales Trinity Saint David	45
University of Wolverhampton	30
University of Southampton	20
University of Chichester	10
Total	17,525

Source: HEIDI

3.5.3. International branch campuses: the global picture

The two main organisations which monitor the growth of IBCs globally are the OBHE and C-BERT. The OBHE undertakes regular surveys and has published very detailed reports very few years since 2002 (Garrett 2002, Garrett and Verbik 2004, Verbik and Merkley 2006, Becker 2009, Lawton and Katsomitros 2012). C-BERT maintains an online database of IBCs which updated every few months¹. Table 5 uses data from the C-BERT list for the 201 IBCs judged to be active and meeting its criteria in March 2014. It excludes IBCs which are known to have closed and those still under development. Table 5 shows that IBCs are predominately set up by universities in the developed ‘North’; The USA, UK, Australia and France are the market leaders amongst the home countries, accounting for 138 (69%) of the total. Interestingly, however, two developing countries from the ‘South’ (India and Malaysia) are in the top nine countries

¹ <http://www.globalhighered.org/branchcampuses.php>

ranked by the number of IBCs set up by their universities. Nevertheless, as Figure 3 shows, when shown by the home region of origin, North America and Europe dominate the global landscape.

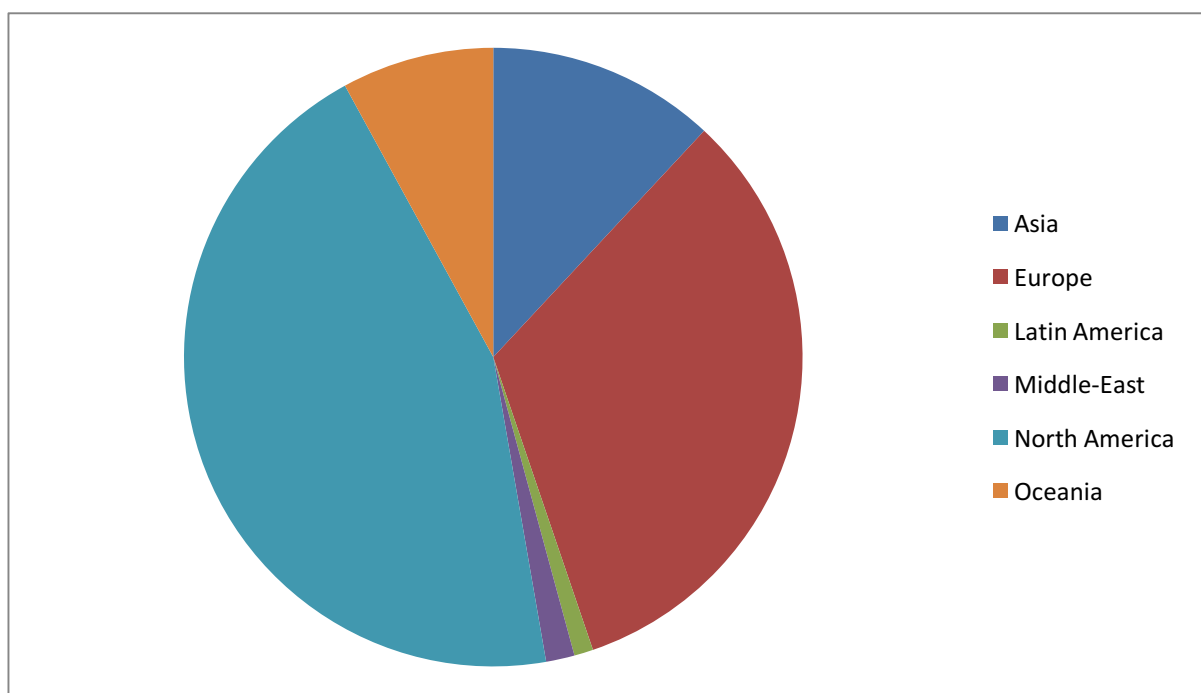
Representing the same data by host country, Table 5 reveals that the UAE, China (excluding Hong Kong SAR) and Singapore emerge as the main locations for IBCs; taking the UAE and Qatar together, the Middle-East accounts for 44 (22%) of the total. IBCs are, however, less concentrated by host than home country. The 201 IBCs are spread across a total of 66 countries, with 37 countries hosting just one IBC each. In contrast, the 201 IBCs are from only 24 different home countries. As Figure 4 shows, however, by host region, the Middle-East and Asia dominate as the most popular locations for IBCs

Table 5: International branch campuses by home and host country, March 2014

Home Country	No. of IBCs	Host Country	No. of IBCs
USA	85	UAE	34
UK	25	China	24
Australia	16	Singapore	15
France	12	Qatar	10
India	9	Canada	7
Russia	8	France	6
Germany	6	Malaysia	6
Malaysia	6	UK	5
Netherlands	6	Greece	4
Other	28	Other	90
Total	201	Total	201

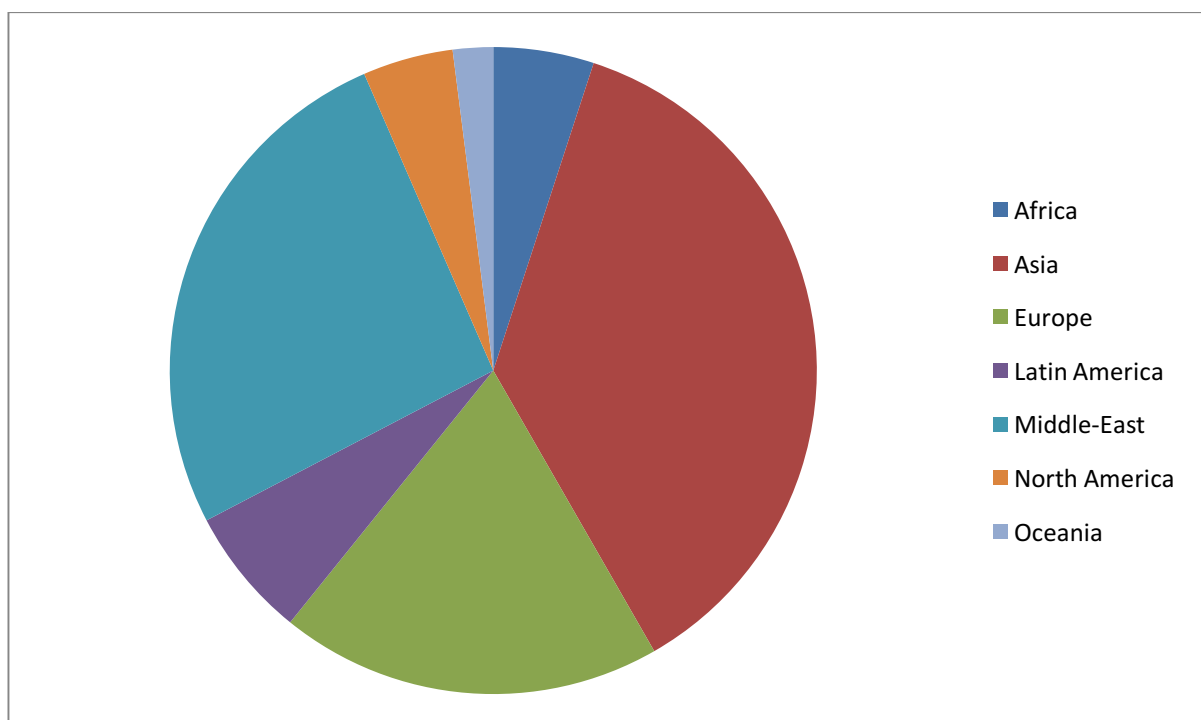
Source: C-BERT

Figure 3: International branch campuses by home region, March 2014



Source: C-BERT

Figure 4: International branch campuses by host region, March 2014



Source: C-BERT

3.6. Why do universities engage in transnational education?

There is a relatively limited literature exploring the reasons why universities seek to engage in transnational education. The general view is that, particularly in countries like the UK and Australia where domestic tuition fees are regulated and enrolments capped, universities see transnational education as a way of growing and diversifying revenue (Hatakenaka 2004, Drew *et al* 2006). Garrett (2004) concluded that ‘income generation is the dominant motivation, and other rationales remain under-articulated’ (p.6). A survey of UK universities by Drew *et al* (2008) found that ‘traditional international recruitment to the UK is seen as ‘fading’ and transnational education is a way of making up shortfalls in income’ (p.15); see also Middlehurst *et al* (2009) and Woodhouse *et al* 2009. A study for UNESCO by Tilak (2011) concluded that ‘narrow economic considerations seem to be the main objectives of present and emerging forms of internationalization of higher education’ (p.26).

Other commentators have taken a wider view and emphasised that, apart from financial goals, there may be reputational or academic objectives for engaging in transnational education (eg, Kwan 2005, McBurnie and Ziguras 2009, Sidhu 2009, Wilkins and Huisman 2012). One survey reviewing the literature concludes that an important motivation for universities establishing IBCs is to raise their international profile (Shams and Huisman 2012). Other writers have been more sceptical, concluding that transnational ventures can often be ill-thought out and opportunistic rather than strategic (Shanahan and McParlane 2005, Healey 2013a).

Offsetting potential reputational gain, however, is ‘need to manage reputational risk should a venture fail or disappoint expectations’ (Grant 2013, p.18). A study by Edwards *et al.* (2010) of institutional audits by the Australian Universities Quality Agency (AQUA) identified a range of risks, including reputational risk, conflicts of interest and poor quality teaching. The British Council (2012a) reported numerous obstacles to transnational education, including ‘security issues, legislative barriers and...corruption’ (p.45). Fear of these risks and conservative management practices may limit the responsiveness of universities to transnational education opportunities.

3.7. Defining an international branch campus

In the opening section, an IBC was defined as a satellite campus established by a university in a third country (British Council 2013, p.15). Before proceeding to a review of the literature on the challenges of managing an IBC, it is useful to deconstruct the meaning of an IBC further.

In a report for the OBHE, Becker (2009) defined an international branch campus as ‘an offshore operation of a higher education institution which meets the following criteria:

- The unit should be operated by the institution or through a joint venture in which the institution is a partner...in the name of the foreign institution and
- Upon successful completion of the course programme, which is fully taken at the unit abroad, students are awarded a degree from the foreign institution’ (p.2).

The OBHE’s American counterpart, the Cross-Border Education Research Team (C-BERT) at the State University of New York at Albany, similarly defines an international branch campus as ‘an entity that is owned, at least in part, by a foreign education provider; operated in the name of the foreign education provider; engages in at least some face-to-face teaching; and provides access to an entire academic program that leads to a credential awarded by the foreign education provider’ (C-BERT n.d.).

A closer look at the 200 or so international branch campuses being monitored by the OBHE and C-BERT reveals that, as Lane and Kinser (2012) observed, getting a clear definition ‘is a fairly slippery subject’. In their 2012 report for the OBHE on international branch campuses, Lawton and Katsomitros (2012) acknowledged the impracticality of having a ‘permanent definition’ (p.7), because universities are constantly repositioning their offshore activities in the light of changing regulatory and competitive environments (see also Healey 2014b).

This is because ownership, academic governance and financial and legal structure varies between IBCs (Lane and Kinser 2013), so that any definition arbitrarily includes some

IBCs and excludes others. For example, the OBHE's 2009 definition excludes 'establishments where the programmes offered lead only to double or joint degrees ((eg, Xi'an Jiaotong-Liverpool University in China)' (Becker 2009, p.3). In the 2012 report, the OBHE modified the definition of an IBC to:

- 'a higher education institution that is located in another country from the institution which either originated it or operates it, with some physical presence in the host country;
- and which awards at least one degree in the host country that is accredited in the country of the originating institution' (Lawton and Katsomitros 2012, p.7).

The authors noted that the 'broadening of the previous definition is two-fold:

- it includes institutions which also award degrees accredited in the host country, as long as accreditation also exists in the home country. These are usually dual-degree arrangements.
- it includes institutions that offer only part of degree programmes at branch operations' (Lawton and Katsomitros 2012, p.7).

Table 6 below shows the sensitivity of the classification system used by difference organisations. A total of 30 UK universities are judged to have one or more IBCs based on their HESA return for 2012/13, their classification by the OBHE in its 2012 report (Lawton and Katsomitros 2012) or C-BERT (March 2014 list). Of these, slightly over half (16 universities) were only deemed to have an IBC by one of the three approaches, eight by two approaches and only six by all three. The total number of UK universities judged to have one or more IBCs varied from 13 (HESA) to 20 (C-BERT).

Reviewing the OBHE's change of definition, Lane and Kinser (2012) argue that it is 'not clear that a single definition can ever fully address all of the parameters of IBC activity without more or less questionable use of judgment calls', but concede that working definitions are needed to operationalize research questions and consider policy implications. For the purposes of this review, an IBC is defined according the current 'working definition' of the OBHE, so that it includes campuses operating under their own brand names.

Table 6: Number of UK universities with international branch campuses

	HESA	C-BERT	OBHE
Aberystwyth University		√	
City University		√	√
De Montfort University		√	
Glasgow Caledonian University		√	√
Heriot-Watt University	√	√	√
Leeds Metropolitan University			√
London Business School	√	√	√
Middlesex University	√	√	√
Queen Margaret University		√	
University College London		√	√
University of Bolton		√	√
University of Bradford		√	
University of Central Lancashire		√	
University of Chichester	√		
University College Birmingham	√		
University College London	√	√	√
University of Exeter	√	√	
University of Kent	√		
University of Lancaster			√
University of Liverpool			√
University of London		√	
University of Manchester		√	√
University of Newcastle-upon-Tyne	√	√	√
University of Nottingham	√	√	√
University of Southampton	√		
University of Strathclyde			√
University of Surrey		√	√
University of Wales Trinity Saint David	√		
University of Westminster			√
University of Wolverhampton	√	√	
Total No. of UK universities with IBCs	13	20	17

Source: HESA, C-BERT, Lawton and Katsomitros (2012)

3.8. Perspectives on managing an international branch campus

3.8.1. Why is the literature on managing IBCs so limited?

The literature on managing IBCs is limited and tends to be restricted to the grey literature (eg, McBurnie and Pollock 2000, Lane *et al* 2004, Gow, 2007, Shattock 2007, Fielden 2008, 2011, Lane 2011b, Emery and Worton 2014). There are probably at least three reasons for this. First, the phenomenon of the IBC is relatively new. Second, the operation of IBCs is shrouded in commercial secrecy. Third, the campuses are remote and most of the faculty are locally hired, so that there is not the usual interchange of information through informal networks. Consider each in turn.

International branch campuses as a new development

It is true that, in the colonial era, small university campuses were sometimes set up as branches of a larger university based in the dominant country. The University of London, for example, established constituent colleges around the world which taught its syllabus and awarded its degrees (Harte 1986). Examinations were set in London and sent back for marking. Former constituent colleges of the University of London include, *inter alia*, the University of Zimbabwe, the University of the West Indies and the University of Peradeniya (Sri Lanka).

However, these constituent colleges were set up by the colonial governments with a view to weaning them off their dependence on the University of London over time. Unlike today's IBCs, the University of London had no financial stake in the new campuses, or formal management authority. Most of the 200 IBCs currently in existence have only been established in the last 10 years.

International branch campuses as a commercial secret

While HESA collects data on the number of students enrolled offshore, this is at a highly aggregate level. Unlike the data returned for UK/EU students, there is no

information collected on the sex or age of offshore students, nor on progression and graduation rates. No financial data is provided to HESA and university's annual reports consolidate revenue and income flows in way that makes it impossible to judge the financial performance of IBCs. The financial performance of IBCs is a typically commercially sensitive, despite calls for greater openness and accountability (eg, University and Colleges Union 2014).

International branch campuses: out of sight, out of mind

The main host countries for IBCs are Malaysia, China and the United Arab Emirates. Typically, a small number of academic faculty are seconded from the home university to manage the IBC, but most of the faculty are hired locally, on local terms and conditions. Generally, the IBCs focus on teaching and this is reflected in the employment contracts, so that the locally-hired staff have limited scope to travel internationally, for example to attend scientific conferences. Most of the interaction between the IBC and the world of academia is limited to visits by faculty from the home campus to the IBC and communication between the two groups of staff regarding the curriculum.

3.8.2. *Managing staff in international branch campuses*

In terms of the challenges of managing IBCs, the richest vein of enquiry has been by faculty from the home university using their own experience to explore the difficulties of teaching and living in a foreign culture (eg, McCully, McDaniel and Roth 2009, Smith 2009, Dobos 2011, Chapman *et al* 2014). These studies explore the tensions experienced by seconded expatriate staff of trying to 'serve two masters', with the staff torn between the natural allegiance to their students and local colleagues and their loyalty to their home university and its culture and procedures.

A closely related challenge for expatriate staff is teaching students who have very different learning styles and cultural frames of reference (Bodycott and Walker 2000, Dunn and Wallace 2004, 2006, Hoare 2013). Staff may also be exposed to alien set of moral values, where, for example, giving lavish gifts may be regarded as an acceptable

way to win favourable treatment from examiners. As Tierney and Lanford (2014) note, 'international branch campuses, with their emphasis on face-to-face teaching, foreign ownership, awarding of credentials by a foreign provider, and physical campus environments, are uniquely positioned to serve as 'hotspots' for cultural transgressions...conflicts and misunderstandings among students, faculty, and administrators are inevitable'.

Smith (2014) looked at the challenges for managers of dealing with 'flying faculty', who are sent from the home campus for short periods to support teaching and quality assurance at the IBC (see also McDonnell and Boyle 2012). The motivations of the flying faculty are varied (eg, they may accept a one-off teaching assignment as a form of 'academic tourism' with no long term commitment to the venture) and the manager of the IBC may have no formal line management over the staff while they are on his/her campus.

Hughes (2011) provides a rare account of the difficulties of managing academic staff at an IBC from her own experience at the University of Nottingham. She notes that 'there is often a tension between an individual's career expectations and what his or her institution provides... [and] the branch campus environment and the nature of university teaching can exacerbate the situation' (p.26). She discusses a number of such tensions between expatriate managers and locally-employed academic staff, including inferior terms and conditions for staff employed by the IBC relative to the home campus, lack of support for professional development and limited scope for career advancement.

An exploratory study by Eldridge and Cranston (2009) used Hofstede's cultural value dimensions to explore the link between the management style employed by leaders of IBCs and national culture. They found that the greater the cultural distance between expatriate managers and locally hired staff, the greater the potential for miscommunication and distrust.

Shams and Huisman (2014) argue that for strategic reasons, IBCs tend to retain close links with their home universities in terms of identity, curriculum and processes, but tend to localise the staff base to reduce operating costs and establish legitimacy with

local stakeholders. This creates a potential tension between the locally hired academic staff, who are usually on inferior terms and conditions, and the seconded expatriate staff and senior managers. They conclude that ‘staffing will continue to be the biggest strategic challenge faced by IBCs’ (Shams and Huisman 2014, p.2).

3.8.3. Managing students in an international branch campus

A fruitful area of enquiry has been the study of how and why students choose to study at IBCs, rather than opting for a local higher education provider or looking offshore for their higher education (eg, Nguyen and LeBlanc 2001, Wilkins and Huisman 2011, 2013, Wilkins *et al* 2012). Some studies have found that students at IBCs experience conflicts of identity, since they are neither international students studying at an offshore institution nor domestic students studying at a local university (eg, Chapman and Pyvis 2006).

Most obviously, students in IBCs are likely to have difficulty adapting their learning styles to the teaching methods promulgated by the home university (Kelly and Tak 1998, Wang 2008, Humfrey 2009, Pimpa 2009, Heffernan *et al* 2010, Prowse and Goddard 2010, Marginson 2011, O’Mahoney 2014). Unlike an international student, who leaves his/her own country to be immersed in the culture of the host country while studying overseas, students at an IBC remains in their home country. This may make it harder to adapt to the teaching environment on campus, which is effectively a small ‘bubble’ of foreign culture which the students experience for only part of each day.

Walton and Guarisco (2007) undertook a qualitative research study which highlights this tension. One of their interviewees commented on the difficulties of using an ‘Anglo-American’ pedagogy to teach Russian students in a transnational partnership, observing that ‘traditionally the Russian higher education system has been based on the German one, where the teacher or lecturer is a guru who tells stupid kids what they should do...They are supposed to take notes, learn by heart, think for a while, and then present what they have learned at examination’ (p.360).

Miliszewska and Sztendur (2012) report that students at IBCs sometimes experience low satisfaction with the physical and staff resources. This may result from the difference between the ‘brand promise’ of the home university, which as a major university is known for the quality of its campus, libraries and information technology, and the reality of a small branch campus where resources are very limited (see also Wilkins and Balakrishnan 2013).

3.8.4. *Managing academic quality in an international branch campus*

Together with managing staff in IBCs, the management of academic quality at IBCs is the other most widely researched area (eg, Hodson and Thomas 2001, Coleman 2003, Castle and Kelly 2004, Craft 2004, Cheung 2006, Stella 2006, Blackmur 2007, Smith 2010, Edwards *et al* 2010, Lim 2010). This is because a key challenge for universities, regulators and policymakers with transnational education is quality assurance (Martin 2007). The reputations of individual universities and national higher education systems are, in large part, based on the perceived quality of their academic awards.

As noted above, providing education across borders exposes the UK universities to varying degrees of reputational risk. Distance-learning courses may be compromised by online fraud (eg, learners using friends to complete assessments). Franchise and validation arrangements may be undermined by the ‘principal-agent’ problem, with the partner colleges (agents) having different objectives (eg, profit maximisation rather than academic quality) from the awarding UK universities (principals); see Healey (2014a). This is a specific example of the more general ‘problem of inducing an “agent” to behave as if he were maximizing the “principal’s” welfare’ (Jensen and Meckling 1976, p.309).

While IBCs are generally regarded as being towards the low risk end of the quality spectrum, maintaining quality control in IBCs may be more difficult because managers and staff operate in an alien culture far from the home campus. Because so many of the staff are locally hired, they may share different value sets from their managers and find it hard to apply academic regulations and procedures set far away in the home university.

One of the special complexities of managing academic quality in an IBC is that, in an increasing number of host markets, the managers have to satisfy the regulatory requirements of both the home governmental agency (for UK-origin IBCs, the Quality Assurance Agency) and the host governmental agency (McBurnie and Ziguras 2001). In Malaysia, for example, IBCs are subject to regulation by the Malaysian Qualifications Agency, which specifies the curriculum requirements, and the Ministry of Education, which controls enrolment numbers and tuition fees. A key challenge for quality assurance in transnational ventures is the extent to which the metrics should be adapted to local conditions (Pyvis 2011).

3.8.5. Managing the curriculum at an international branch campus

Managing the curriculum is closely related to the issue of managing quality assurance. *Prima facie*, it would appear to follow that the more precisely the curriculum at the IBC mirrors its counterpart at the home campus, the lower the risk that quality is compromised. In principle, the degrees at the IBC could follow exactly the same curriculum in terms of content and learning outcomes, with the students being assessed using common assignments and unseen examinations. The University of London, for example, uses standardised examinations to assess students in its International Programmes to guarantee uniformity of learning outcomes.

At the same time, there are legitimate pressures to adapt the content, pedagogy and assessment (Willis 2004, 2006). Most obviously, some of the content may be inapplicable to the local context. For example, most business studies degrees include one or more modules on business law, which is jurisdictionally specific. To maintain the relevance of the degree, it would make sense to substitute a module on English business law for one based on the legislation of the host country. Some content may be judged culturally inappropriate or insensitive (eg, a module on feminist literature in a strict Islamic country).

It is also conceivable that, for social and cultural reasons, trying to force the pedagogical approach of the home campus onto locally-hired academic staff and students may be

sub-optimal. Staff and students in East Asia, for example, may be uncomfortable about using a Western case study approach to learning, which blurs the conventional distinction between teacher and student. Some critics have warned of the dangers of forcing IBCs to conform to the curriculum and assessment requirements of the home campus, arguing that it leads to an inappropriate and damaging degree of homogenisation (eg, Liston 1998) and a 'one world' culture that has the potential to undermine local differences' (Egege and Kutieleh 2008, p.68).

Pyvis (2011) argues transnational education risks promoting 'educational imperialism' (p.733); see also Rhee and Sagaria (2004). In a powerful attack on the role of western education, Tikly (2004) argued that indoctrinating students in developing countries 'into a western way of thinking based on western forms of knowledge, [is] part of a process that scholars... have described as a "colonisation of the mind"' (p.188).

For the managers of IBCs, there is a tension between respecting the quality assurance regime of the home campus (and home country regulators) with the need to adapt content, delivery and assessment to local needs and constraints.

3.8.6. Managing an international branch campus as a mode of market entry

A number of the studies have looked at the challenge of managing an IBC by drawing on international business literature (eg, Gore 2012, Lane and Kinser 2012, Wilkins and Huisman 2012). These studies draw from transactions cost theory, bounded rationality and opportunism, agency theory and the information asymmetries that give rise to the 'principal-agent problem', the eclectic paradigm of internationalisation and the Uppsala stages model of internationalisation.

The underlying principle has been that researchers in higher education can learn from the extensive and well-established literature on the internationalisation of corporations (eg, Vernon 1966, Johanson and Vahlne 1977, 1990, Agarwal 1980, Dunning 1980, 1981, Dunning and Lundan 2008a, 2008b). As noted above, the traditional classification of transnational education by the degree of investment offshore (distance learning, validation, franchising, IBC) stems from the 'stages approach' to internationalisation,

widely known the Uppsala Model, after a study of the process by which Nordic companies internationalised their operations (Johanson and Vahlne 1977).

This model views companies as approaching internationalisation in incremental stages, first exporting, then licensing production to markets which are increasingly geographically or culturally distant from their home market and finally entering into production themselves through foreign direct investment. ‘There is a loop process between the market and the firm whereby market knowledge leads to commitment decisions in the firm, the ensuing marketing activities in their turn leading to increased market commitment and knowledge, and so on’ (Solberg and Durrieu 2006, p.60).

Dunning (1980) offered a more ‘eclectic paradigm’, arguing that the choice of foreign market entry mode was not necessarily sequential, but primarily depended on three factors:

- Ownership-specific (O) advantages (eg, trademarks, production technologies, managerial models) which give the company a competitive advantage over less efficient rivals in foreign markets.
- Location-specific (L) advantages (eg, lower cost labour, higher demand) which make it attractive to locate production in a foreign market.
- Internalisation (I) advantages, which make it more profitable to set up a foreign production site through foreign direct investment (FDI), rather than licensing (or franchising) production to a third party. This is based on transaction cost theory, which suggests that companies will internalise activities if the internal costs are lower than the transactions costs in the external market.

The OLI Model suggests that companies will choose FDI over licensing production if there are significant internalisation advantages (see Table 7). UK universities clearly possess ownership-specific advantages, in terms of the global brand value of their degrees, and the high demand from foreign students who are not internationally mobile creates location-specific advantages in terms of being able to satisfy this demand by in-country provision. The predominance of licensing (ie, franchising and validation) over IBCs suggests that, for most universities, it is more cost-effective to license production to a local partner than to establish their own production facilities in a foreign market.

The benefits of licensing are that the university avoids the capital costs of establishing a campus, the coordination costs of managing a satellite campus and the legislative and tax complications of having a registered company in a foreign market. Licensing in higher education is, however, particularly susceptible to the ‘principal-agent problem’, which arises when the principal (in this case, the university) and the agent (the foreign college) have different objectives and time horizons.

The university has a strong interest in maintaining the quality of its brand by careful quality control, while the college may be primarily motivated by the lure of short-term profits. These will be maximised by admitting and passing weaker students, which undermines the university’s reputation in the longer term, potentially even damaging its core business on its home campus. This may explain why high-status universities like Monash and Nottingham have eschewed licensing in favour of off-shore campuses, to internalise their ownership advantages.

Table 7: The OLI Model and choice of entry strategy

	Categories of advantages		
	Ownership advantages	Location advantages	Internalisation advantages
Exporting	Yes	No	No
Licensing	Yes	Yes	No
Foreign Direct Investment	Yes	Yes	Yes

Source: adapted from Dunning (1981)

To summarise, the literature from international business regards licensing as being a way of exploiting a company’s ownership-specific advantages in a location that cannot otherwise be reached, where it is more profitable to serve this market through a local

partner than by internalising the activities through FDI. The relative attractiveness of FDI may increase over time as the company learns cumulatively more about the foreign market, so that licensing may also be a stage on the road from exporting to operating a foreign production facility. This broad approach has been used, either explicitly or implicitly, to study the growth of IBCs (Larsen *et al* 2004, Verbik and Merkley 2006), universities' motives for establishing IBCs and the conceptual frameworks for strategies for managing them (Shams and Huisman 2012, Lane 2011b).

A limitation of this approach is that universities differ from corporations in a number of ways, notably having a wider range of stakeholders (which include government, society and alumni), unique governance structures, non-commercial missions and restrictive national regulatory environments (Baldrige 1971, Slaughter and Leslie 1997, Meyer *et al* 2007, Blackman and Kennedy 2009, Stefenhagen 2012)

3.8.7. *Managing the host government*

A number of studies have explored the phenomenon of the education hub, in which the host government deliberately attracts foreign universities to establish IBCs (eg, Knight 2007, 2011, 2012a, Mok 2008, Lane 2011b, McBurnie and Ziguras 2009, Wilkins 2010, Sidhu *et al* 2011). As Becker (2009) notes, 'international branch campus plans do not always originate from the providing institutions anymore. Increasingly, campus proposals have been initiated by government leaders or other organisations in host countries' (p.2).

The government's goal may be to increase the absorptive capacity of the domestic higher education and/or to improve the quality of the domestic higher education sector by increasing competition for students and providing a role model (the so-called 'demonstration effect') for its own universities. Alternatively, the goal may be to use the foreign IBCs to attract international students, who would not be willing to study at local institutions or, instead, to service the educational needs of local residents (eg, the children of foreign expatriate workers) who are barred from accessing subsidised places in the public universities (Madichie and Kolo 2013).

While the Singapore Government was an early mover in setting out its vision to become an education hub for south-east Asia through its ‘Global Schoolhouse’ project, it is some of the Middle East governments that have executed the education hub concept most aggressively. Dubai, for example, built the Dubai Knowledge Village as a ‘university in waiting’, with student dormitories, libraries and social and catering facilities, as well as classrooms and offices. The Knowledge Village was established as a tax-free zone and foreign universities could rent offices and classrooms and set up IBCs, which were licensed not by the Federal Ministry of Education but by a new Knowledge and Human Development Agency (KHDA).

The Knowledge Village attracted a number of foreign universities, to the extent that the campus became overcrowded and the government had to open a second tax-free educational zone at Dubai International Academic City, which now houses a number of UK, Australian and Indian IBCs. These foreign IBCs primarily enrol the children of expatriate workers, who do not meet the nationality requirements to qualify for the public universities, as well as attracting students from third countries.

Managing an IBC in an educational hub brings with it additional challenges, because of the need to liaise closely with the relevant government senior officials (Bolton and Nie 2010, Lane 2011a, Farrugia and Lane 2013). Often, these officials operate in a different cultural context and have different ways of doing business, which can challenge the expatriate managers of IBCs. There is also the risk that, without close liaison with government officials, the managers of the IBCs may be caught out by unexpected changes in host government policy or cannot fathom deeply arcane local legislation and regulations. In both China and Malaysia, the IBCs of UK universities have set up informal networking forums to better manage their interactions with the host governments and regulatory authorities (eg, the Sino-foreign Cooperative University Forum).

3.8.8. Managing an international branch campus as a foreign joint venture

There is an extensive literature on multinational corporations which has investigated aspects of the role and behaviour of managers in foreign subsidiaries drawing on theory

from international human resource management (HRM). Banai and Reisel (1993), for example, examined the organisational commitment (ie, loyalty to the parent corporation) of expatriate managers of foreign subsidiaries. Paik and Ando (2011) and Harzing (2001a, 2001b) looked at the roles, attributes and skills of parent country national managers *vis-à-vis* host country national managers in foreign subsidiaries.

These studies suggest that the expatriate managers of IBCs may face a number of tensions. Some parallel those faced by all expatriate staff working in an IBC, with split loyalty to their local colleagues and students on the one hand, and to the home university on the other (Hedlund 1984). The international HRM literature suggests that all managers have a tendency to begin to identify more closely with their local colleagues than 'head office' over time, a risk which multinational corporations seek to mitigate by rotating senior managers between posts and countries. This tendency is even greater when the managers are locally hired; indeed, they may have no understanding of the culture of head office and identify only with the local subsidiary.

This literature suggests that managers of IBCs may find it harder to remain focused on their role as an agent of the home university the longer the period of secondment. Perhaps a more important consideration is that, unlike a more conventional joint venture, the objective functions of the university and the local partners in an IBC may be quite dissimilar. Many IBCs involve local partners drawn from the property development or financial sectors, rather than local educational institutions. These local partners may operate in a more overtly commercial way and have a much more focused profit-maximisation goal than the university partner. For the manager of the IBC, this may make liaising between the home university and the local partners increasingly challenging, especially if his/her sympathies begin to shift in favour of the latter over time.

3.8.9. Managing an international branch campus as a start-up venture

There is an extensive small business literature which also suggests managerial challenges that may be shared by the managers of IBCs. In most cases, IBCs are start-up ventures (Stanfield 2013). In some cases, notably in government-backed education

hubs, the university may be able to move directly into purpose-built accommodation, with the various support functions (libraries, refectories, dormitories, campus security, etc) already in place. In others, the manager may have to preside over the construction of the campus. In this case, they are often under pressure from both the university and the local partners to begin enrolling students and teaching as soon as possible. It is not uncommon for IBCs to begin life in rented buildings, with seconded staff working out of hotel rooms.

The small business literature suggests that successful manager of a start-up ventures tend to be entrepreneurial, resilient and highly flexible, able and willing to take on different tasks as required (Burns 2011). For the manager of a start-up IBC, these tasks may include marketing new courses, recruiting local faculty, project-managing the construction and setting up administrative departments.

Small business managers face unique challenges. They have to be a ‘jack of all trades’, dealing with a wide range of issues like finance and HRM that, in a larger, more established company would be managed by professional specialists. For a manager of a new IBC, these challenges are likely to be compounded by the difficulties of dealing with such matters in an alien environment, where the culture and regulatory environment is different.

Small businesses often find it difficult to attract well-qualified staff, because many employees naturally gravitate to larger, demonstrably stable companies with well-developed HR functions (Marlow and Patton 1993). Some start-up businesses mitigate this risk by offering their early employees share options, to align their incentives with the company’s successful growth. A new IBC, however, is likely to be competing with established local universities and colleges, hiring faculty who are accustomed to conventional academic terms and conditions.

The managers of start-up businesses often rely heavily on social capital; that is, their networks of friends and acquaintances to generate new business, locate resources and seek advice and guidance (Davidsson and Honig 2003, Westlund *et al* 2014). For the manager of a new IBC, she is typically an expatriate seconded by the university to

oversee the start-up of the campus is a third country. Not only is the manager working in an alien culture, but she completely lacks any locally-based social capital.

Often, as start-ups mature, the literature suggests that these managers can find it difficult to cede control to others as structures become more formalised and important functions are delegated to newly appointed colleagues (eg, Macpherson and Holt 2007). As Churchill and Lewis (1983) note, the challenge for the founder manager is to ‘delegate responsibility to others to improve the managerial effectiveness of a fast-growing and increasingly complex enterprise’ (p.41).

3.9. The I-R paradigm

Shams and Huisman (2012) conclude their review of the literature on managing IBCs by noting the ‘fragmented body of the literature, which depicts a large set of managerial complexities, accompanied by a number of solutions offered for each individual issue...[S]ome of these solutions are highly dichotomous and there is no fundamental analytical tool that facilitates understanding and explaining the managerial ambidextrous concepts in the field [of transnational education]’ (p.121).

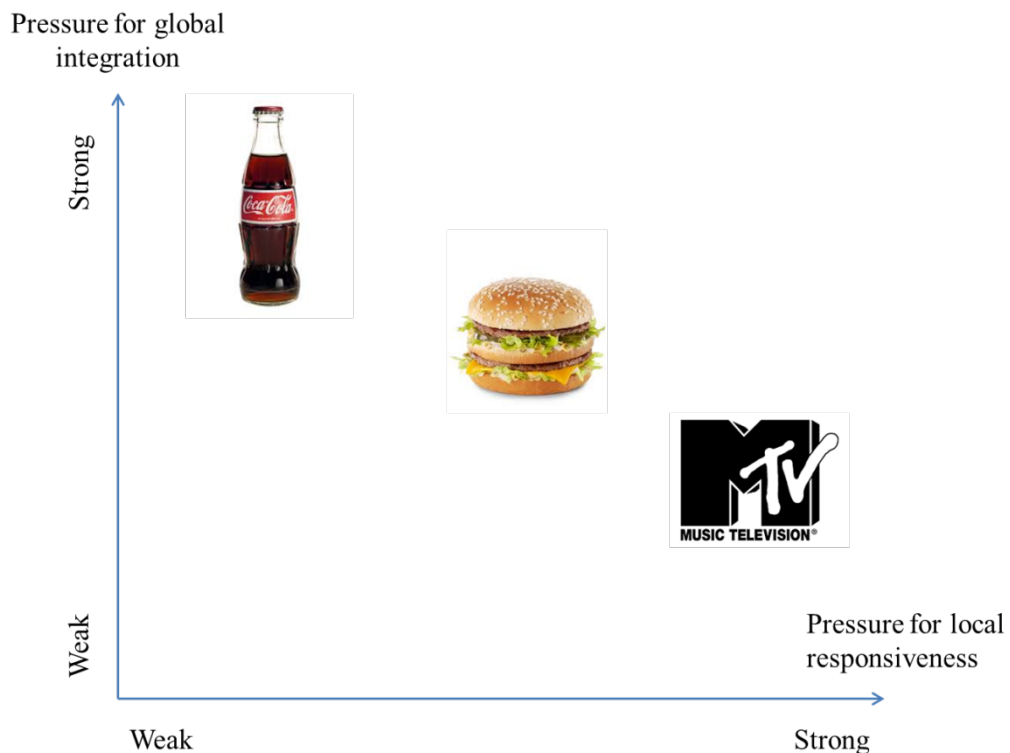
Shams and Huisman (2012) posit that the ‘I-R paradigm’, widely used in the international business literature and developed by Prahalad and Doz (1987), can be adapted for transnational education and used as a holistic framework for analysing the challenges faced by the managers of IBCs (see also Roth and Morrison 1990, Taggart 1997, Bartlett and Beamish 2011). The I-R paradigm highlights a fundamental tension faced by multinational companies (MNCs). On the one hand, providing a standardised product or service globally allows them to gain economies of scale and build a powerful global brand. For example, Coca Cola and Apple, the two most valuable manufacturing brands in the world (Interbrand 2014), sell standardised products across the world.

On the other hand, if demand conditions vary between national markets, MNCs may be able to grow sales and profits by selling differentiated products tailored to local requirements. McDonalds, for example, offers a standardised core menu of its most

iconic meals (eg, the ‘Big Mac’) across all its restaurants, but allows an increasing degree of localisation. Its website explains that: ‘We try to adapt our menu to reflect different tastes and local traditions for every country in which we have restaurants. We’re keen to respect cultural differences and so every country has its own policy of developing menu items’ (McDonalds n.d.).

The greater the cultural, societal or regulatory ‘distance’ between the home and host countries, the stronger the pressure to customise the local offer (Xu and Shenkar 2002, Ghemawat 2007, Phillips *et al* 2009). McDonalds, for example, substitutes chicken for beef in its Big Macs in Islamic and Hindu markets to respect religious differences. *In extremis*, if the cultural distance is too great, it may be impossible to sell the product in the host market without radical adaptation. Breweries likes Becks, for example, can only sell beer in some states of India by removing all the alcohol and fundamentally changing the product from an alcoholic beverage to a beer-flavoured soft drink. Figure 5 illustrates the differing balance of integration *versus* localisation pressures for selected household name brands, with Coca-Cola driven towards the most standardised products, while MTCV provides heavily localised broadcasting.

Figure 5: Pressures for integration *versus* localisation



The global integration (I) – local responsiveness (R) paradigm can be seen as a global application of Porter’s seminal work on generic strategies, in which he argued that companies can pursue competitive advantage either by being lower cost than their competitors or by differentiating their product or service to align better with consumers’ wishes, enabling them to charge a higher price (Porter 1980). Global integration allows companies to exploit economies of scale and offer their products and services at a lower cost; local responsiveness allows companies to develop products and services which are more closely matched to local demand conditions.

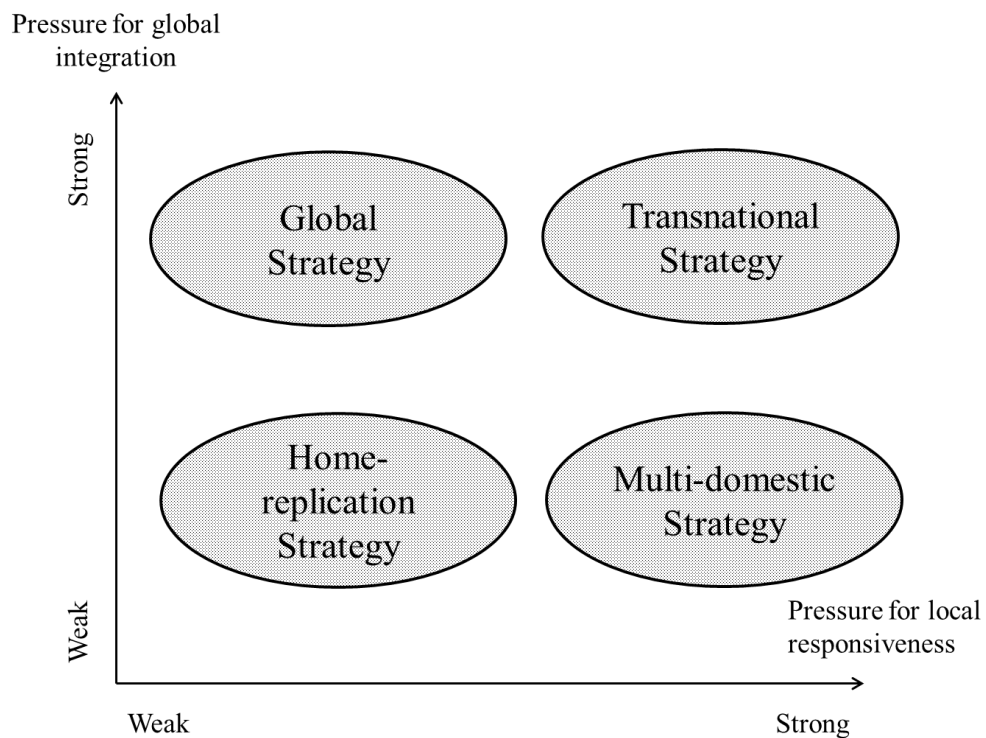
However, there is an important difference. Porter’s generic strategies of cost leadership *versus* product differentiation were conceived as broad alternatives, with a widespread belief in the 1980s that experience economies meant that cost leadership was the dominant strategy for mass markets, while product differentiation was successful in dealing with segmented markets in which companies sought to gain a niche position. Gradually, however, it became clear that many companies pursued both cost leadership and product differentiation strategies simultaneously (Wright *et al* 1990). In the case of the I-R paradigm, however, the two extremes are inherently mutually exclusive: the product or service is either standardised or customised to local market needs. The ‘strategic paradox’ (De Wit and Meyer 2004) is that both are desirable from the point of view of the MNC, but one cannot be achieved without sacrificing the other.

The I-R paradigm suggests that MNCs will choose the optimal position along the spectrum, logically the point at which the marginal benefit of local adaptation just offsets the marginal cost as a result of sacrificing economies of scale. Birkinshaw *et al* (1995) and Luo (2001) argue that the optimal trade-off between integration and responsiveness depends both on the nature of the MNC and environmental factors. For example, if the MNC is a manufacturer of a product where consumers value the compatibility and interoperability of standardised products (like cell phones), then there will be little pull from the responsiveness side and the optimal trade-off will be close to global integration.

The trade-off between integration and responsiveness will manifest itself, *inter alia*, in the extent to which decision-making is centralised or not (Gates and Egelhoff 1986). If the MNC is globally integrated, this suggests that decisions about which products to develop and market will be taken at the corporate headquarters and implemented fairly passively thorough the company's subsidiaries. If, on the other hand, the MNC allows a high degree of local responsiveness, the subsidiaries will have a more active role in deciding their product range and pricing strategies.

Bartlett and Ghoshal (1987) explored the implications of different trade-offs for organisational structures. They followed the logic of Porter's generic strategies and distinguished between two extreme types, the globally integrated company that offers a standardised product or service world-wide (the 'global strategy') and the responsive company that allows its subsidiaries to develop differentiated offerings which meet local needs and conditions (the 'multi-domestic strategy'); in addition, they introduced a third, intermediate type, the 'transnational organisation', which seeks 'to have its cake and eat it' by trying to achieve economies of scale while adapting to local conditions (the 'transnational strategy'). These occupy three of the four quadrants in a high-low integration/localisation matrix, with the fourth implicitly being the 'home replication strategy' if both the pressure for integration and localisation are low. In this last case, the optimal strategy is simply to reproduce the home company overseas (the 'home-replication strategy'), without integrating the subsidiaries in any meaningful way (see Figure 6).

Figure 6: Strategies for managing in the integration-localisation space



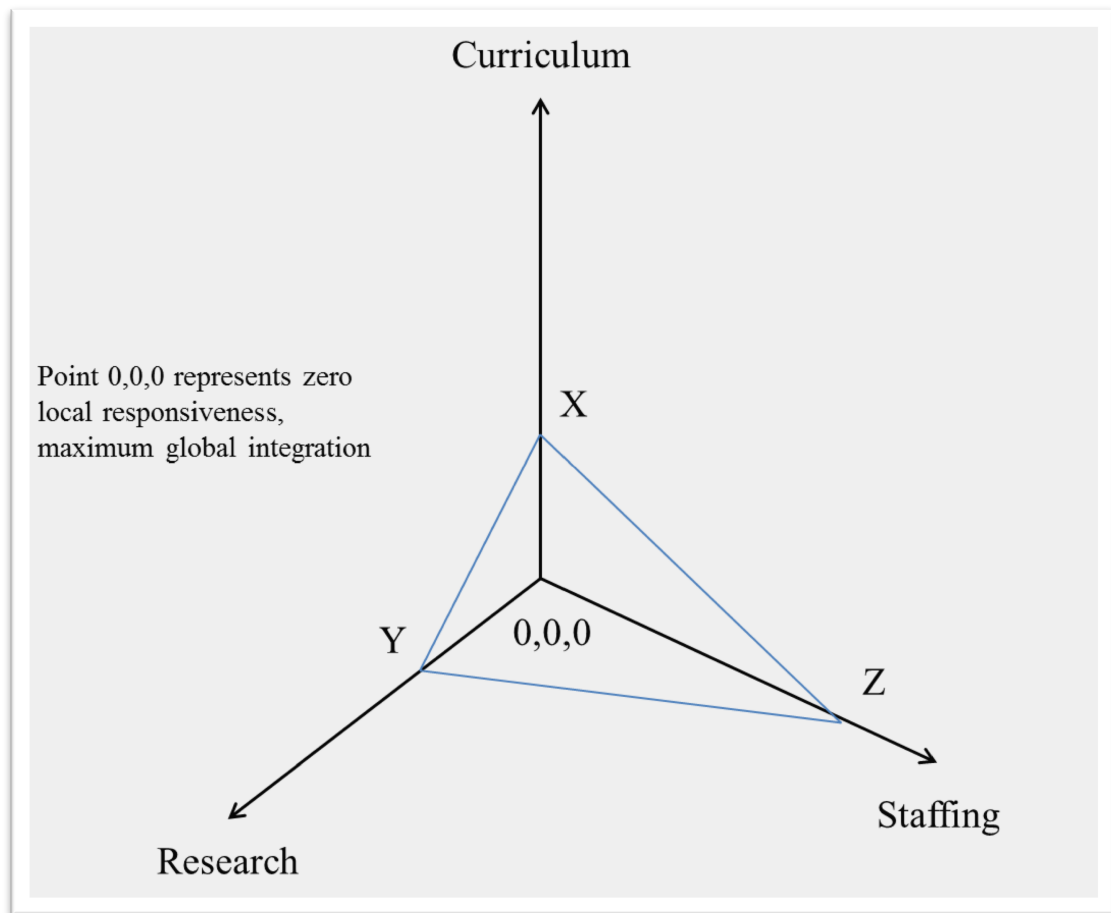
3.9.1. The I-R paradigm and international branch campuses

Haugland (2010) argues that ‘from a managerial point of view, [the I-R] approach can be helpful in illustrating some major decision problems that managers need to address in developing international strategies’ (p.94). Shams and Huisman (2012) similarly conclude that the I-R paradigm provides a tractable framework for conceptualising the challenges faced by the managers of IBCs. On the one hand, managers face the pressure to remain globally integrated from both the home campus and local stakeholders. The home university has a strong incentive to operate its IBCs using standardised curricula and assessments, underpinned by common operating processes and software systems. Partly this is for economic reasons (ie, the benefits of economies of scale) and partly because the university may be seeking to build its global brand. Students and local regulators may also have a preference for a standardised curriculum, so that they are assured that the educational experience and learning outcomes are the same for students at the IBC as those on the home campus.

At the same time, the greater the cultural, societal and regulatory distance, the stronger the pressure for local responsiveness. In a strict Islamic country, female students may not be able to sit in classes with male students unless they are chaperoned; one-to-one tutorials between male academics and female students may be unthinkable. Societal differences may render some parts of the curriculum inappropriate or even meaningless for local students (eg, classes on common law in a civil law jurisdiction). Most obviously, local regulations may require the IBC to adapt its curriculum and staffing policies in order to be registered and permitted to enrol students. The regulations in countries like China mandate the teaching of certain courses (eg, political economy, physical education) and do not recognise distance-learning. The Malaysian Qualifications Agency sets minimum educational thresholds (normally a master's degree) for academic staff.

Shams and Huisman (2012) argue that the I-R trade-offs are likely to most apparent in three key areas for an IBC: the curriculum, staffing and research. Depending on the extent of the cultural, societal and regulatory distance between the home and host countries, the IBC manager needs to strike the optimal balance between delivering a standardised curriculum and adapting it to local conditions and regulatory requirements (Li and Baalen 2007). Similarly, the manager must strike a balance between employing seconded expatriate academic staff from the home campus, which best facilitates the replication of the academic culture at the IBC, and hiring local staff who can relate culturally and linguistically to the students. Finally, the manager may choose to incentivise and reward research which aligns with the research programmes in the home university or allow staff to pursue research projects with a local focus.

Figure 7: The I-R paradigm and an international branch campus



Adapted from Shams and Huisman (2012)

Figure 7 illustrates the three trade-offs diagrammatically. The origin (point 0, 0, 0) represents absolute global integration, in which the IBC is effectively a clone of the home university, for example, using seconded staff to deliver a standardised curriculum underpinned by a research agenda which remains integrated with research on the home campus. This is close to the model adopted by some North American universities (eg, University of Waterloo) which employ only seconded academic staff in an effort to faithfully recreate the home academic culture in the offshore campus. In the figure, the IBC represented by points X, Y, Z is one in which the curriculum and research exhibit a high degree of global integration (but not absolute) while the staff base is heavily localised. Many of the UK and Australian IBCs in countries like Malaysia, where well-qualified staff are available locally at much lower costs than employing seconded staff, adopt this type of model, where the curriculum is closely modelled on the home campus and the local staff are encouraged to pursue research which meets the requirements of

the home university's workload model (eg, by publishing only in international peer-reviewed journals).

In justifying the focus on these three dimensions, Shams and Huisman (2012) argue that 'the model is currently built around the themes we found in the literature (staffing, curriculum) or could not find in the literature but for which we put forward arguments to include (research)' (p.119). They note, however, that '[w]hereas we focused on three axes — arguably the key dimensions — the framework is flexible and can be expanded' (p.121). The wider literature review above suggests that, in addition to the curriculum, staffing and research, the list of key dimensions might plausibly be widened to include students, quality assurance processes and ownership.

First, with regard to students, some studies (eg, Healey and Michael 2014) has distinguished between IBCs that are primarily intended to recruit students from the host country and those which seek to draw students from across the region to an educational hub. In China, for example, the host government's primary concern is to use foreign IBCs to enhance the quality and capacity of the domestic higher education sector and almost all the students recruited to Sino-foreign campuses are Chinese nationals. In Malaysia, Mauritius and the Middle-East, there is, in contrast, an explicit aim to recruit international students to the foreign IBCs, providing a source of employment and foreign exchange to the host government and potentially providing a flow of future skilled migrants for graduates who settle in the country.

Secondly, as noted above, maintaining academic quality in an IBC is a key challenge for managers. Increasingly, however, as the quality assurance bodies develop in host countries, the regulatory distance between the home and host governments may increase. This forces a choice between meeting the requirements of the home university (and regulator) and satisfying the local regulator. Although the UK's Quality Assurance Agency has sought to liaise with its counterparts in countries like China and Malaysia, it may not be possible to meet the requirements of both simultaneously.

Thirdly, there is trade-off between sole ownership on the one hand, and entering a joint venture on the other. While sole ownership of the IBC maximise control by the home

university, it increases the financial risk and denies the university the specialist expertise (eg, in property development and negotiating local tax, labour and other related legislation) that might be offered by a local partner. On other hand, entering into a joint venture with a local partners risks creating misalignment in the objectives of the partner and, if the home university has only a minority stake, limiting its control over the IBC.

A literature review by Waterval *et al* (2014) of the literature on IBCs sought to identify the key success factors in making a transnational partnership sustainable over time; they isolated 13 factors which they clustered into ‘four domains: students, teachers, curriculum, and soft and hard project management’ (p.1). This reinforces the argument that the range of I-R trade-offs facing the manager of an IBC may go beyond simply staff, the curriculum and research.

Shams and Huisman (2012) do not claim that the I-R paradigm offers a guide to the optimal trade-offs that an IBC should choose, but rather that it provides a useful conceptual framework for understanding the trade-offs between global integration and local responsiveness for each of the main dimensions of an IBC. Clearly, the optimal trade-off will depend upon the home university’s objectives in establishing the IBC and the cultural, societal and regulatory distance between the home and host countries. Not only will these configuration of objectives and constraints vary from university to university and from host country to country, but they will change over time; moreover, the changes over time are not exogenous, but themselves be driven by the behaviour of the IBCs in the host country (eg, the increased regulation of private higher education institutions in Singapore following the established of the Council on Private Education was triggered by concerns over low-quality foreign providers).

There is considerable scope to develop and extend the I-R paradigm through qualitative investigation of the challenges faced by IBC managers, seeking both to better understand the range of dimensions along which they need to determine the optimal trade-off, as well as exploring the relative importance of the key drivers towards local responsiveness.

3.10. Conclusions

The fragmented nature of research in higher education research and the dominance of exploratory research methodologies in new and emerging areas of study mean that there is no orthodox theoretical framework within which IBCs are problematized. Indeed, Tight (2004) has argued that atheoretical approaches dominate higher education research generally, dubbing it an ‘a-theoretical community of practice’. One explanation for this is the dominance of the ‘grey literature’ in this field, with much of the research being published by organisations like the OBHE, the British Council, the United Nations Educational, Scientific and Cultural Organization (UNESCO), etc, which are aimed at a practitioner audience rather than academic scholars (Kehm and Teichler 2007).

This review of the literature on the management of IBCs reveals that managers are faced with a range of challenges, which primarily stem from dealing with key stakeholder groups: students, staff, home and host country quality regulators, the home university and the host government, as well as the IBC’s local joint venture partners. The ease with which the managers can balance competing interests depends, *inter alia*, on the motivations of the home university for establishing the IBC, the regulatory environment in the host country and the cultural and linguistic distance between the home and host countries.

The global integration (I) – local responsiveness (R) paradigm, derived from the international business literature, provides a tractable theoretical framework within which to organise the challenges facing the managers of IBCs. This approach frames the central challenge to an IBC in terms of the optimal trade-off between global integration (*in extremis*, operating a clone of the home university in the host country) and local responsiveness. There may be, in principle, a number of different aspects of the IBC for which the manager may choose the optimal trade-off. These include, most obviously, the extent to which the curriculum and assessment regime is localised to reflect conditions in the host country.

There are a number of ways in which the I-R paradigm might be developed and extended to improve our understanding of the challenges of managing an IBC. First, through an exploratory investigation with the managers of IBCs, the key dimensions of the IBC which are the focus of the I-R trade-off could be more rigorously established. As the literature review suggests, the list may include additional issues like the degree of localisation of the quality assurance or ownership of the IBCs. Second, it would be instructive to develop a clearer understanding of the key factors which influence the choice of trade-off for a given dimension (eg, what are the main factors that lead an IBC to localise its curriculum?). Finally, it would be interesting to develop a clear understanding of the dynamic forces which lead to the optimal trade-offs changing over time. As Healey (2014b) has argued, the ‘mother-daughter’ relationship is widely used in discourse by IBC managers, suggesting that there is an urge for greater autonomy that naturally builds up as the IBC matures.

This leads to the following research questions to be addressed in this research project:

1. What are the key dimensions of the IBC that managers feel under pressure to localise (ie, make more locally responsive)?
2. What are the main factors which influence their chosen degree of localisation for each dimension?
3. How do these factors, and so the optimal degree of localisation, change over time?

4. METHODOLOGY

4.1. Introduction

Chapter 3 reviewed the literature on the management of international branch campuses (IBCs), noting the fragmented nature of the research and the dominance of exploratory research methodologies. In general, ‘research on the international dimensions of higher education has been a thematic area drawing from a broad range of disciplines and research domains...[T]he enormous diversity of approaches stands out rather than certain priorities’ (Kelm and Teichler 2007). Tight (2004) concluded a wide-ranging review of the research methods used in the literature with the observation that ‘higher education research is not a single community of practice but, rather, a series of, somewhat overlapping, communities of practice...Some communities of practice tend to engage with theory more explicitly and commonly. Others do so far less frequently and typically only implicitly. So some higher education research communities of practice are relatively a-theoretical, while others (the minority, but a significant minority) are highly theorised’ (p.409).

The literature review in Chapter 3 suggests that managers are faced with a range of challenges, which primarily stem from dealing with key stakeholder groups: students, staff, home and host country quality regulators, the home university and the host government, as well as the IBC’s local joint venture partners. The ease with which the managers can balance competing interests depends, *inter alia*, on the motivations of the home university for establishing the IBC, the regulatory environment in the host country and the cultural and linguistic distance between the home and host countries.

The global integration (I) – local responsiveness (R) paradigm, derived from the international business literature, provides a tractable theoretical framework within which to organise the challenges facing the managers of IBCs. This approach frames the central challenge to an IBC manager in terms of the optimal trade-off between global integration (*in extremis*, operating a clone of the home university in the host

country) and local responsiveness. There may be, in principle, a number of different aspects of the IBC for which the manager may choose the optimal trade-off.

This thesis sets out to develop and extend the I-R paradigm to improve our understanding of the challenges of managing an IBC. First, through an exploratory investigation with the managers of IBCs, the key dimensions of the IBC which are the focus of the I-R trade-off are more rigorously established. As the literature review suggests, the list may include additional issues like the degree of localisation of the quality assurance or ownership of the IBCs. Second, it attempts to develop a clearer understanding of the key factors which influence the choice of trade-off for a given dimension (eg, what are the main factors that lead an IBC manager to localise the curriculum?). Finally, it seeks to better understand the dynamic forces which lead to the optimal trade-offs changing over time.

There are three central research questions:

1. What are the key dimensions of the IBC that managers feel under pressure to localise?
2. What are the main factors which influence their chosen degree of localisation for each dimension?
3. How do these factors, and so the optimal degree of localisation, change over time?

This chapter reviews the relationship between ontology, epistemology, axiology and research methodology. It distinguishes different ‘paradigms’ which share a common approach to these four aspects of knowledge and knowledge-building, arguing that ‘critical realism’ is the most appropriate conceptual framework for answering the research question at the heart of this study of IBCs.

It then sets out the research design, justifying the approach taken in terms of the existing literature and phenomena being studied. It discusses the benefits and limitations of such

exploratory ‘insider research’ in terms of reliability, validity and ethical considerations. It concludes with a discussion of the way that the research design was executed in practice.

4.2. The conceptual framework

The conceptual framework refers to ‘the ways ideas are organized to achieve a research project’s purpose’ (Shields and Rangarjan 2013, p.24). There are a number of approaches to educational research, which can be distinguished by their positioning with respect to the nature of reality, the evidence that is acceptable and the independence of the researcher from the phenomenon being researched.

4.2.1. *Ontology*

Ontology is the philosophical study of existence or reality. It has its roots in the ‘Platonic School’ which concerned itself with what can be said to exist in a fundamental way. While physical objects like earth and water are clearly existent entities, early philosophers tried to grapple with the relationship between the mind, an entity, and the sensations experienced by the person in their mind, like thinking, happiness and love.

The natural sciences are underpinned by a belief that reality is objective, external and independent of social actors. The laws of physics, for example, have a number of characteristics, including universality (they apply everywhere), absolutism (nothing affects them) and truth (they have never been falsified by experience). Hydrogen always combines with oxygen atoms at room temperature to form water molecules. The chemical reaction always takes place when hydrogen is exposed to oxygen and the phenomenon is independent of whether or not a human researcher is observing.

When it comes to studying human behaviour, however, the notion that there is an independent reality is highly contested. When a person is threatened, for example by the appearance of a dangerous animal, there is a physiological reaction which can be measured, in terms of the production of adrenalin, elevated heart rate and faster

breathing in anticipation of fight or flight. However, whether the person feels threatened by the appearance of a dangerous animal depends upon the way she perceives (ie, subjectively constructs) the situation. If the individual is watching a circus performance or observing lions from a Land Rover in a safari park, she will perceive the situation to be unthreatening. If she is a zoo keeper, she may be relaxed about hand feeding lions she has raised from birth. In contrast, she may be terrified by the sudden appearance of a wild lion while out walking in the Kenyan savannah. The reality of her situation is an individual, subjective construction.

Because individuals are different, both genetically and in terms of their life experiences, they may perceive the same situation differently, so that there are multiple realities being constructed. During an inner city riot, for example, some individuals may find the situation terrifying and they will try and flee, while others may welcome the disturbances and enthusiastically engage in fighting with the police or looting stores.

Berger and Luckmann (1966) developed the idea that, when individuals interact with each other in social groups over time, they come to share a common ‘social construction of reality’ and the ways in which they understand events and the appropriate responses become institutionalised. Thus, the social construction of a riot is that it is threatening and dangerous, calling for a robust response by the police and severe penalties for offenders by the judicial system. This social construction, however, is not stable over time or between social groups, as witnessed by the very different cultural norms between societies and strata within a given society.

4.2.2. Epistemology

Epistemology is the ‘theory of knowledge’, which explores what knowledge is and how it is acquired – that is, the study of how we know what we know. A central question in terms of what constitutes knowledge is whether what is believed about something is ‘true’. For example, an individual may believe that eating carrots will improve night vision, but this is not knowledge. It was, in fact, misinformation deliberately spread by the UK’s Ministry of Information in World War II to conceal from Germany the way that radar was being used to direct RAF fighter pilots towards incoming German

bombers at night. This belief can be empirically refuted by scientific experiment. Given that not all beliefs can be categorically proved (or refuted), knowledge can, in this sense, be thought of as a set of 'justified truth propositions', supported by the weight of evidence.

This leads to question of what evidence can be regarded as acceptable in judging whether a belief can be justified as true. Epistemological externalists take the position that for a justified true belief to be regarded as knowledge, it must be supported by external data or facts, which are external to the psychological states of those who gain the knowledge; that is to say, supported by observable phenomena which can be witnessed (and replicated) by others. Natural sciences take this position (the 'scientific method'), using empirical and measurable data to formulate and test knowledge for its truth.

Epistemological internalists argue that we can only experience the external world through our senses, so that the evidence necessary to provide justification for a belief must necessarily be internal to our psychological state; that is, internal to the individual, based on her perspective and subjective experience of the world. This approach admits a much broader range of acceptable evidence, which embraces subjective meanings and social phenomena.

If the way that managers best motivate their employees is to be regarded as knowledge (eg, in organisational theory), this truth proposition must be justified by evidence obtained from interviews and conversations with practising managers and employees, which are in turn shaped and conditioned by the participants' subjective experiences, and then interpreted and analysed by the researchers. This is a form of justification internalism far removed from the externalism of the natural sciences, yet is the fundamental basis of much social science.

Ontological and epistemology are closely related and, taken together, are often referred to as the researcher's 'world view', a translation of the German word 'weltanschauung', which embraces the way (eg, objectivistically or constructivistically) that an individual observes and interacts with the world.

4.2.3. *Axiology*

Axiology is the study of value and value judgements, especially in ethics. In terms of acquiring knowledge, a fundamental issue is the relationship between the evidence being gathered to justify a true belief and the researcher. Natural sciences are (generally) regarded as being value-free. The researcher engages with external phenomena that conform to physical laws or properties that have no normative dimension. She can observe hydrogen combining with oxygen to create water molecules, without taking any position on whether the creation of water molecules is 'good' or 'bad'. This is known as the 'etic' (outside) approach, in which the phenomena being studied is done so by a dispassionate, independent, external scientist.

The etic approach is distinct from the 'emic' approach, in which the researcher engages directly with other individuals to try and understand how they think. Although this approach has its roots in anthropology, with researchers living alongside indigenous people in less developed countries to study their languages, cultures and values, an emic approach is widely used in social sciences to investigate human behaviour. In-depth interviews with participants are one of the most important ways of understanding complex human interactions and social systems.

The criticism levelled at emic research is that, because the researchers interact with those being studied, they are necessarily value-bound and cannot be separated from what is being studied. For example, imagine an interview-based study of human resource practices in a manufacturing facility of a developing country. If the researcher's personal belief system is such that she finds the use of young girls as labourers morally repugnant, her sub-conscious body language and facial expressions during interviews with factory managers may inhibit them from revealing the full extent of their exploitation of child labour, distorting the results.

On the other hand, if the researcher is self-aware and suppresses these feelings, instead developing a strong rapport with the managers being interviewed, she may manage to reveal a great deal of data which could never have been discovered with more etic

methods of passive observation. It is arguable that the famous ‘Hawthorne Experiment’, which mainly relied on covert observation of workers in a Western Electric factory at Hawthorne in the interwar years, might have been even more revealing had an emic approach been adopted.

4.2.4. Research Methodology

The research methodology is the method used to answer a research question. The key challenge is to use a methodology which, given the ontological and epistemological framework (world view), provides a meaningful way of answering the research question. There are broadly two methods: quantitative and qualitative.

A quantitative methodology relies on the gathering of empirical, observable data to answer a precise question. For example, the research question ‘does smoking 20 cigarettes a day increase the risk of lung cancer compared with non-smokers?’ is implicitly a hypothesis (‘smoking increases the risk of lung cancer’) which can be empirically tested. By comparing the incidence of lung cancer in a large sample of 50-70 year old smokers with a control sample of 50-70 year old non-smokers, it can be statistically established whether the risk of smoking is higher at a given confidence level (eg, 95%).

The larger the sample size relative to the population being studied and the more carefully matched the smokers’ sample and the control sample in terms of all the other possible influences on the likelihood of developing cancer (eg, parental health history, socio-economic status, ethnicity, location within the country), the greater the probability that any observed differences are due to smoking rather than random chance.

A qualitative methodology, in contrast, gathers verbal data from human subjects about their perceptions, motivations and behaviour. The research question ‘what drives a man to sexually abuse children?’ cannot meaningfully be answered by observable data. The impulses that trigger abusive behaviour are rooted in the way that the abusers have come to understand and interpret their world and their actions. One way of answering this question is to undertake in-depth interviews with men who have been convicted of

sexual child abuse and, by getting them to tell their stories, identify common themes in their accounts which shed light on the factors which lead men into such abuse (eg, having been sexually abused themselves as children, having mental health issues).

There are a wide range of qualitative techniques which social scientists employ to gather data on social phenomena. These include various ways of listening to the views of human participants through in-depth interviews (which may be structured or unstructured), group discussions (called ‘focus groups’ in marketing), storytelling, ethnography, participant observation, shadowing and action research. Alternatively, the views of human participants can be studied by analysing the way they have expressed themselves in writing (eg, written books and reports, web sites) or visually (eg, paintings or photographs). Through this analysis, qualitative research seeks to identify patterns that can help to explain the phenomena being studied.

The essential difference between quantitative and qualitative research methodologies is that the former lends itself to testing hypotheses (eg, ‘smoking causes lung cancer’), while the latter attempts to build hypotheses or theory (eg, men who sexually abuse children tend to have been abused themselves in childhood). While this is a useful simplification, there are various ways in which the boundaries are more blurred.

Some studies often use ‘mixed methods’, combining qualitative and quantitative studies, but remain within an essentially inductive, theory-building paradigm. For example, imagine that based on a handful of in-depth interviews of convicted child sex offenders, the researcher identifies 20 factors which the participants reported drove them to abuse children. The researcher might then develop a questionnaire, using closed questions with a Likert scale for responses, which could be administered anonymously to thousands of convicted sex offenders across the country. This quantitative section of the study allows the researcher to develop a theory of child sex abuse based on the reported drivers of abusive behaviour with a much higher degree of confidence than if the sample had remained with the original handful of inmates.

4.3. Research Paradigms

‘Research paradigm’ is the term coined by Thomas Kuhn in his seminal book, *The Structure of Scientific Revolutions* (Kuhn 1962), to describe schools of thought which broadly share a common view of ontology, epistemology, axiology and research methodology. Kuhn defined a research paradigm as an ‘integrated cluster of substantive concepts, variables and problems attached with corresponding methodological approaches and tools’ (Flick 2009, p.69). Kuhn was actually describing the process by which, within the scientific tradition, one theory (eg, the Ptolemaic theory that the Earth was at the centre of the universe) was displaced by a better theory (in the case, the Copernican theory that the sun was at the centre of the universe), but the term ‘paradigm’ has come to apply to alternative ‘worldviews’ and their associated methodologies (Hussain *et al* 2013).

4.3.1. Positivism

In social sciences, there are two extreme research paradigms which lie at either end of a spectrum. The first is positivism, which applies the ‘scientific method’ of the natural sciences to the realm of human behaviour. Ontologically, positivists regard reality as external and unchanging. In epistemological terms, positivists believe that knowledge is learned only via the scientific method, developing falsifiable hypotheses by deductive reasoning which can be tested in replicable studies. Axiologically, positivistic research is *etic* – positivists view the researcher as objective and separate from the phenomenon that is being studied. Methodologically, positivism uses quantitative statistical techniques to test hypotheses using objective data.

Across the social sciences, economics is the discipline most closely associated with positivism. Economists have traditionally used so-called ‘top-down’ deductive reasoning to logically derive testable hypotheses from general premises which can be then tested statistically. For example, starting from the premise that consumers prefer more to less, but that the marginal benefit (of each extra unit) gradually declines as more is consumed, it can be deduced that the demand curve relating price to quantity demanded is negatively sloped. This is a hypothesis that can be statistically tested using

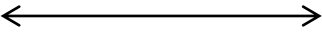
either cross-sectional or time series data. In this way, economists seek to develop general theories of human behaviour which are conceptually comparable to the laws of physics.

4.3.2. *Anti-Positivism*

At the other extreme, with a variety of names and ‘sub-brands’, is the anti-positivist paradigm (see Table 8). Ontologically, anti-positivists reject the idea of absolute truth in the realm of social behaviour. They believe that reality is experienced and interpreted by each individual, so that the same phenomenon (eg, an inner city riot) can be interpreted differently by different individuals (eg, threatening, exciting, liberating). Epistemologically, anti-positivists believe that knowledge can be obtained through subjective meanings and social phenomena. They seek to understand the context of the social phenomenon being studied and the subjective meanings and motivating actions.

Axiologically, anti-positivistic research is emic – anti-positivists view research as ‘value-bound’, with the researcher being part of what is being studied and inseparable from the phenomena. Methodologically, anti-positivism uses inductive, qualitative methods to build theory from observation. Like quantitative methods, qualitative research methodology is a product of the anti-positivist’s ontological and epistemological determinants.

Table 8: Positivism vs Anti-Positivism

Positivism		Anti-Positivism
External, objective, independent of social actors	Ontology	Socially constructed, subjective, may change, multiple
Use observable data to test logically deduced hypotheses to generate knowledge	Epistemology	Use subjective interpretations and motivations to inductively develop knowledge
Etic	Axiology	Emic
Quantitative	Research Methodology	Qualitative

4.3.3. *Critical Realism*

In between the two extremes are a range of paradigms or conceptual frameworks which take an intermediate position on one or more of the four dimensions (ontology, epistemology, axiology and research methodology). These include interpretivism, (social) constructivism and pragmatism.

Critical realism is one of the intermediate paradigms which is closest to positivism, but which acknowledges the importance of social interpretation (the term was coined to distinguish critical realists from the ‘naïve realism’ of positivists). Ontologically, critical realists acknowledge the existence of objective, external facts, but believe that these facts need to be understood within the context of the social structures and power relations within which these phenomena are located. As Olsen (2009) argues, ‘by carefully defining structures, and “cause” and “effect” as real but difficult to observe, [critical] realists argue that it is possible to carry out many post-structuralist research practices without becoming committed to an excessively relativist or totally constructivist ontology’ (p.3).

Epistemologically, critical realists argue that knowledge depends upon explaining observed causality between one objective fact and another within a particular social context and set of power relations. For example, the purchasing behaviour of females between 20-40 years old in response to a decline in household income is an observable phenomenon. However, it is impossible to fully understand this behaviour in isolation from the power structures between men and women and the child care responsibilities socially expected of mothers. In different times and in different cultures, purchasing behaviour may respond very differently to the same fall in income (eg, in 19th century societies where young children would routinely be sent out to work to support their families).

As this example illustrates, critical realists accept that there are objective facts, that there is causality between one objective fact and another (eg, declining household income and changing purchasing behaviour) and that it is possible to establish

generalisations. The key points of difference with positivists are that this causality is framed and shaped by the prevailing social structure and power relationships and that the generalisations that can be inferred in one social structure may not apply in another.

Axiologically, critical realists adopt an intermediate position, arguing that while research can be *etic* in the sense that the researcher is separate from the phenomena being observed, it is nevertheless value-laden. The researcher is biased by her world view, as well as by her cultural, religious and moral values and her subjective experiences. Methodologically, critical realists favour qualitative research methods, but acknowledge the importance and value of quantitative methods. In the example given above, a quantitative approach could be used to establish the association between household income and purchasing behaviour by younger women either in a longitudinal study for a given country over time or a cross-sectional study for a number of countries, but qualitative analysis of the contextual social factors would be crucial to give the quantitative results meaning.

4.4. Rationale for conceptual framework and research methodology

Contributing to a research literature is often likened to joining a conversation at a party. The newcomer must first hover on the edge of the group, listening to the conversation underway and familiarising herself with the topic. At some point, she will sense a pause in the conversation and join the group by making a comment which contributes to the debate taking place. If the comment is framed in a way which is out of context with the rest of the conversation or simply reiterates a point that has already been made, the intervention will be ignored and the newcomer excluded from the conversation. For example, if the group is speaking in English and discussing the relative engineering merits of German *versus* French automobiles, then an intervention in the French language about BMW's shortcomings as an employer during World War II does not advance the discussion and will be met with incomprehension.

The topic of study is the researcher's contribution to the conversation and the theoretical framework is the language and conceptual perspective within which the conversation is

taking place. As explained in the introductory sections above, IBCs are a new and emerging phenomenon and the body of literature is still young and immature. There is no dominant theoretical framework and the literature has been described as ‘fragmented’, with different researchers drawing upon different theories depending on the focus of their study.

Unsurprisingly, however, given the relative underdevelopment of the literature, many studies have used grounded theory and exploratory, interpretivist research designs to find their way in this new and emerging area. It is this conversation that this study of the management issues of IBCs, as perceived by the senior managers, will be joining from a critical realist perspective.

The choice of conceptual framework and qualitative research methodology is justified by the research question. The dimensions of an IBC that the managers feel themselves to be under pressure to localise, and the perceived objectives of the various stakeholders they serve, are social phenomena which are created by the human mind in response to a set of external influences and drivers (eg, the regulatory environment in the home and host country, the performance targets set by the UK university, the expectations of locally hired staff).

There is causality between these external factors and the strategies adopted by IBC managers and it is possible to make generalisations, but these factors are interpreted (‘constructed’) by senior managers differently, depending upon their managerial experience, intercultural competence, personal ambition and power base at home and in the host market. There is a two-way interaction between the managers and their operating environment, in which their actions change the environment, but the environment in turn shapes and conditions their behaviour. To understand what is going on from the point of view of those participating in it, ‘one must get inside the world of those generating it’ (Rosen 1991, p.8).

4.5. The research design

The research design uses a qualitative research methodology. The original plan was to gather data from 18 in-depth, semi-structured interviews with senior managers in the IBCs of UK universities. Despite the recent growth in IBCs, there are still relatively few UK universities with fully-functioning satellite campuses abroad. To make the study as representative as possible, ‘purposive sampling’ was used to identify six IBCs (case studies) on which to focus. As Sarantakos (2005) argues, qualitative research uses such small samples that random sampling, a common approach in large-scale quantitative studies, is meaningless. Rather, the researcher should purposefully select a sample that makes the findings as representative (and so as robust) as possible.

In this case, the ‘sampling frame’ used had two main dimensions:

1. The host environment (inward focus – outward focus)
2. International ranking of UK university (high – medium – low)

The first sampling dimension relates to the host environment and whether the IBCs are primarily ‘capacity absorbing’, in the sense of supplementing supply in the face of excess demand for university places in the host country, or export-oriented, in the sense of being located in a ‘education hub’ intended to attract foreign students from across the surrounding geographic region (Verbik and Merkley 2006, Knight 2011). The rationale for this sampling dimension is that the regulatory environment is likely to be fundamentally different if the host country is seeking foreign IBCs to strengthen and broaden its domestic higher education sector (capacity absorbing) as opposed to attracting foreign students and export revenues (export-oriented).

Countries like China and Uzbekistan, both of which host foreign IBCs, have large unsatisfied demand for university places and the IBCs can be seen as primarily capacity-absorbing. In contrast, Dubai and more recently Malaysia have encouraged foreign universities to establish IBCs to attract foreign students and promote their countries as regional education hub’. The University of Nottingham has campuses in both China and Malaysia and its pattern of enrolments illustrate the difference between

being in a capacity-absorbing vis-à-vis an export oriented market. The University of Nottingham Ningbo is growing very rapidly (5,257 in 2012/13) in the face of strong domestic demand, but has only 5% non-Chinese enrolments. The University of Nottingham Malaysia has 4,360 students, despite having been established much longer than its Chinese counterpart, and much of the growth has come from non-Malaysian international students, which reached 32% in 2012/13 (University of Nottingham, n.d.).

The second sampling dimension relates to the international profile of the UK university, in terms of its ranking in the 2013 QS World University Rankings. The rationale for the second dimension is that there is a consensus in the literature that the purpose of IBCs is related to the status of the home university (eg, Wilkins and Huisman 2012). For high status universities, IBCs are a way of building global profile. To do this, their IBCs are also research-intensive, allowing them to attract research funding from host governments, and there is a long-term commitment. For lower status universities with a weak global brand, the primary focus is presumed to be on revenue-generation, by enabling them to reach new markets through their IBCs.

For present purposes, ‘high’ relates to universities in the top 100, ‘medium’ to universities ranked between 101 and 850 and ‘low’ to universities ranked 850+. The QS World University Rankings use a range of indicators, including academic and employer peer review, research productivity, student-staff ratios and the proportion international students and staff, to rank the 850 ‘top’ universities. In Table 9, the figures in brackets relate to the home university’s 2014 QS ranking.

Table 9: The planned case studies and the sampling frame

		Host environment	
		Inward-focus	Outward-focus
International profile of the UK university	High	University of Nottingham Ningbo (77)	University of Nottingham Malaysia (77)
	Medium	Xi’an Jiaotong Liverpool University (123)	Heriot Watt Dubai (352)
	Low	University of Westminster Uzbekistan (850+)	University of Bolton RAK (850+)

Source: QS World University Rankings® 2014/15

For each case study, the original research design was to interview two current senior managers and one former manager. The interviews were semi-structured and invited participants (on condition of confidentiality and anonymity) to ‘tell their story’; that is, to provide a documentary account of their experience of managing an IBC, with cues from the interviewer (as necessary) to ask them to reflect on the personal and professional challenges, the strategies used (successfully and unsuccessfully) and the key turning points in events.

This interview technique allows participants to express their subjective perspective on the way they see and interpret the world (Opie 2004). Semi-structured interviews ‘provide the opportunity to gain an account of the values and experiences of the respondent in terms meaningful to them’ (Stephens 2007, p.205). The role of the interviewer is to provide a broad framework to help structure the conversation and to provide a supportive and confidential environment which encourages participants to be as relaxed and reflective as possible. The choice of semi-structured interviews is justified by the conceptual framework adopted and the inductive (theory-building) approach (Sarantakos 2005), as well as by the fact that interviews are face-to-face (Lofland *et al* 2005).

A face-to-face interview allows the interviewer to respond to a range of cues (facial or bodily movements, changes of tone, etc) and adapt the questioning to explore issues of particular interest to the participant more deeply than others. In this way, a semi-structured, face-to-face interview may reveal new lines of enquiry not considered at the design stage. Rubin and Rubin (1995) describe this approach as an in-depth responsive interviewing technique to ‘hear data’.

Although the semi-structured format allows the interviews to develop dynamically, it is nevertheless important to keep the interviews within broad boundaries to ensure that data is captured for each of the research sub-questions. Yin (1994) stresses the importance of carrying out pilot case studies to develop the semi-structured framework. For this study, pilot interviews were carried out with former managers of IBCs of two

IBCs of other UK universities, to help refine the broad questions and determine the general structure of the interviews.

The results of the interviews were interpreted through the lens of grounded theory (GT). GT is a standard methodology in non-positivistic social science research, where theory is being 'discovered' the analysis of (usually qualitative) data (Strauss and Corbin 1990). It operates in a reverse fashion from traditional positivistic research. Rather than beginning with a hypothesis, the first step is the data collection, in this case via the semi-structured interviews. The interviews were transcribed and analysed.

The key points in the transcribed accounts of the participants were then marked with a series of codes. In a series of iterations, these codes were grouped into broad categories, to provide the basis for the creation of a theory (sometimes termed a 'reverse engineered' hypothesis). 'The intent is to develop an account of a phenomenon that identifies the major constructs or categories in grounded theory terms, their relationships, and the context and process, thus providing a theory of the phenomenon that is much more than a descriptive account' (Ovaska *et al* 2007, p.1402)

4.5.1. Reliability

Reliability relates to the extent to which the data collection and analysis give results that are replicable in a broadly consistent fashion; that is, if the study were undertaken at a different time (stability), using a different sample (internal reliability) or studied by another researcher (inter-observer consistency). Because this study uses a small sample to ensure richness of detail, rather than statistical confidence, it clearly cannot claim the reliability of a large-scale quantitative survey.

In qualitative studies like this, reliability may be compromised if the nature of the investigation is such that participants feel they need to misrepresent information. Some participants may, consciously or subconsciously, 'self-edit' their responses, for example, to 'present themselves in a good light' (Ball 1994, p.97). They may also suppress information about mistakes they feel they have made or decisions they took

which seem foolish in retrospect (Morris 2009). The planned research design militates against this in three ways:

1. Each case study is ‘triangulated’, by interviewing three participants, with each interview carried out on the basis of confidentiality.
2. Each case study involves one manager who is no longer directly involved with the IBC and might reasonably be expected to be more detached and reflective.
3. The interviewer is an ‘inside researcher’, working in the same field and with a prior personal relationship with each of the interviewees. This emic dimension of the study means that a greater bond of trust will exist between researcher and interviewee than in a more conventional interview-based project.

While inside research may reduce instability and internal instability, it may increase the risk of inter-observer inconsistency. This is because if these senior managers were instead interviewed by an independent researcher, there is likely to be significant power imbalance. There is an extensive literature on the difficulties of interviewing elites. Reviewing this literature, Welch *et al* (2002) note a range of consequences of the perceived power asymmetry between interviewee and interviewer, with the latter feeling grateful for having been granted an interview, intimidated by the interviewee’s high status and predisposed to accept, rather than critically challenge, the views of an apparent expert.

This power asymmetry is significantly reduced by insider research. The research design, using an inside researcher and ensuring confidentiality and anonymity, is designed to minimise two sources of unreliability (stability and internal reliability), but given the difficulties of interviewing elites, it must be conceded that the study may suffer from inter-observer consistency if it were to be replicated by a more junior or independent researcher.

4.5.2. *Validity*

Validity refers to whether the data measure what they are intended to measure (Bryman and Bell 2007). The source of invalidity in this study could result from either wrongly transcribing the data provided by interviewees or misinterpreting, and so misanalysing, data that has been correctly transcribed. For example, the transcript might show that the interviewee reported her university as having '10 international students', but in fact she actually said '10% international students'. Alternatively, the correct transcription of '10% international students' might be misinterpreted by the researcher as meaning the institution had 10% non-UK students, because she did not understand that 'international students' in the UK refers to fee status (ie, students from the European Economic Area are not classified as international students for fee purposes), not country of residence.

While 'insider research' helps to minimise this second source of invalidity, it may lead to biased results for another reason. Because both the researcher and the participants share a common professional background and similar life experiences, they may bring what Cohen *et al* (2007) call their common 'biographical baggage' to the interview. This may lead to the researcher subconsciously misconstruing data, because she feels so attuned with the participants.

For example, given the focus on understanding the perceptions of the managers of IBCs about the challenges they face, there is a risk that the researcher uses her biographic baggage (sometimes called 'tacit insider knowledge') to wrongly 'fill in the blanks', misinterpreting the answers given by participants. To manage this risk, it is important to be constantly reflexive during the interviews, clarifying the meaning of responses which could be ambiguous, rather than presume as an insider that both researcher and participant always have a common understanding of an issue.

To further minimise errors of commission or omission that result from poor data gathering and interpretation, the validity of the data will be tested by sending each participant a full copy of the transcript of the interview for comment and correction (Kvale 1996).

4.5.3. *Ethical considerations*

Ethics are commonly defined as ‘norms’ that distinguish between acceptable and unacceptable conduct. In relation to research ethics, Shamoo and Resnik (2009) review ethical policies of a range of funding and professional bodies and argue that the following norms are common:

1. honesty and integrity – do not misrepresent data or deceive people, act with sincerity;
2. objectivity – avoid bias;
3. carefulness – be diligent;
4. openness – be willing to share research outputs and accept criticism;
5. respect the intellectual property of others;
6. confidentiality – protect confidential data and the interests of human participants.

For this study, the main ethical issue relates to confidentiality. Participants were asked to sign a form giving their permission to use the data obtained through interviews for the purposes of the research, on condition that the data will be anonymised and the transcripts themselves will be confidential. However, because there are relatively few UK universities with IBCs, there is a risk that readers may be able to guess the identity of the IBC and so the participants. To mitigate this ethical risk, any results that are intended for the public domain will be carefully edited to ensure that anonymity is guaranteed, for example, by eliminating references to country or location.

The researcher applied for ethical clearance from the Research Ethics Committee of the College of Business, law and social Sciences at Nottingham Trent University. Approval was granted in April 2015. A copy of the application (Appendix 3A), the Information

Sheet for Participants (Appendix 3B) and the Consent for Participation in Interview Research (Appendix 3C) are included below.

4.6. The implementation of the research plan

The formal, semi-structured interviews took place between March and September 2014. The original goal of interviewing two current managers and one retired manager from each of six target IBCs had to be slightly modified over time, on the grounds of access, availability and affordability. My intention had been to interview all the managers in their own offices; in the case of the incumbent IBC managers, this meant interviewing them at the IBCs. The aim was to undertake the interviews with the managers on ‘their own turf’, in order to set them at ease and to signal my commitment to learning as much as possible about both the IBC and the challenges they faced. I ensured that I spent some time at each IBC, including an organised tour of the facilities and time to talk informally with staff and students to get the fullest impression.

In the absence of a dedicated research fund to support this investigation, I had to combine the interviews at the IBCs with scheduled visits to the host countries. As I chair the International Academic Advisory Committee of the annual QS-APPLE (Asia-Pacific) international education conference and I am a track chair for the sister QS-MAPLE (Africa-Middle East) conference, I organised the interviews at the IBCs around the following events:

1. Conference planning meeting of the QS-APPLE International Academic Advisory Committee at QS-Asia, Singapore, April 2014: IBCs visited in Malaysia.
2. QS-MAPLE Conference and Exhibition, Khalifa University, Abu Dhabi, May 2014: IBCs visited in the United Arab Emirates.
3. Conference planning meeting of the QS-APPLE International Academic Advisory Committee at Taipei Medical University (2014 host university), Taiwan, September 2014: IBC visited in China.

As noted in 4.5 above, the original research design was to visit the following IBCs:

1. University of Nottingham Ningbo Campus
2. University of Nottingham Malaysia Campus
3. Xi'an Jiaotong Liverpool University
4. Heriot Watt Dubai
5. University of Westminster Uzbekistan
6. The University of Bolton Ras al-Khaimah (RAK)

I was granted access to senior managers at Xi'an Jiaotong Liverpool University, but they were not available during my visit to China in September 2014. Although I have an excellent relationship with the First Vice-Rector of the University of Westminster Uzbekistan, the senior management at the home university declined to allow their staff to take part in the study on the grounds of commercial sensitivity. However, I was able to gain access to the senior managers of five additional IBCs:

1. International University of Malaya-Wales (IUMW)
2. Newcastle University Medical School (NUMed)
3. University of Southampton Malaysia
4. University of Reading Malaysia
5. Middlesex University Dubai

The interviews were between 90 and 120 minutes in duration. The interviewees signed two copies of the Consent for Participation in Interview Research form. These were co-signed by the researcher and each retained a copy. The interviews were recorded and contemporaneous notes made by the researcher. The recordings were transcribed for analysis. Table 10 sets out the schedule of the interviews. For reasons of confidentiality, neither the interviewee nor the IBC is identified.

Table 10: Formal interview schedule

ID	Position	IBC ID / host country	Location of interview	Date of interview
A	Former Provost	R / Malaysia	UK	26 March 2014
B	Provost	R / Malaysia	IBC	7 April 2014
C	Dean	R / Malaysia	IBC	7 April 2014
D	Vice-President	S / Malaysia	IBC	8 April 2014
E	Vice President	S / Malaysia	IBC	8 April 2014
F	Provost	T / Malaysia	IBC	10 April 2014
G	Provost	U / Malaysia	IBC	10 April 2014
H	Acting Provost	V /Malaysia	IBC	10 April 2014
I	Managing Director	W / UAE	IBC	4 May 2014
J	Provost	W / UAE	UK	20 June 2014
K	Provost	X / UAE	IBC	5 May 2014
L	Head of School	Y / UAE	IBC	9 May 2014
M	Provost	Z / China	IBC	9 September 2014
N	Vice-Provost	Z / China	IBC	9 September 2014

In terms of the original research plan to select one high, two medium and two low ‘profile’ home UK universities, the final selection showed a broader range, with two high, four medium and two low profile universities across the three host countries (see Table 11).

Table 11: UK case study universities by 2014 QS World University Ranking

International profile of the UK university	United Arab Emirates	Malaysia	China
High (0-100)		University of Nottingham Malaysia Campus (77) University of Southampton (94)	University of Nottingham Ningbo Campus (77)
Medium (101-850)	Heriot-Watt (352) Middlesex University (651-700)	Newcastle University (127) University of Reading (202)	
Low (850+)	The University of Bolton (850+)	International University of Malaya Wales (850+)	

Source: QS World University Rankings® 2014/15

In terms of the other dimension of the sampling frame, the inward-outward focus of the host market, the sample set looks apparently unbalanced, with eight of the nine case studies located in markets designated as outward-focused in the original research design. However, as Chapter 5 shows, despite the positioning of the United Arab Emirates as an educational hub, it turns out that its IBCs overwhelmingly recruit the children of expatriate workers who are barred from the domestic higher education system. On this basis, the United Arab Emirates is much closer to having an inward, rather than an outward focus, with the foreign IBCs primarily being used to absorb unmet domestic demand, rather than attracting international students. On this revised basis, the sample is much more balanced (see Table 12).

Table 12: The actual case studies and the sampling frame

		Host environment	
		Inward-focus	Outward-focus
International profile of the UK university	High	University of Nottingham Ningbo (77)	University of Nottingham Malaysia (77) University of Southampton (94)
	Medium	Heriot Watt Dubai (352) Middlesex University (651-700)	Newcastle University (127) University of Reading (202)
	Low	The University of Bolton (850+)	International University of Malaya Wales (850+)

Source: QS World University Rankings® 2014/15

In addition, a number of other participants agreed to take part in meetings to provide background information on the three national markets in which the IBCs were located (Malaysia, the United Arab Emirates and China). They agreed to the researcher taking extensive notes, to provide additional information to assist the interpretation of the primary data gathered in the formal interviews (see Table 13).

Table 13: Informal interview schedule

	Position	IBC ID / host country	Location of interview	Date of interview
AA	Programme Director	Q / China	UK	24 April 2014
AB	Chief Executive	W / UAE	IBC	4 May 2014
AC	Managing Director	P / UAE	Dubai	5 May 2014
AD	Vice-Chancellor	S / Malaysia	Abu Dhabi	7 May 2014
AE	Head of School	Z / China	Czech Republic	19 September 2014

4.7. Conclusions

This chapter has set out the background to the chosen research design to answer the three central research questions:

1. What are the key dimensions of the IBC that managers feel under pressure to localise?
2. What are the main factors which influence their chosen degree of localisation for each dimension?
3. How do these factors, and so the optimal degree of localisation, change over time?

The choice of critical realism as the most appropriate conceptual framework for answering the research question is further justified by reviewing the relationship between ontology, epistemology, axiology and research methodology vis-à-vis relation to the social phenomena being studied. The original research design is set out and the benefits and limitations of such exploratory ‘insider research’ are discussed in terms of reliability, validity and ethical considerations.

The chapter also explains the changes that were made to the original research design for pragmatic reasons. Access to senior managers in IBCs depended upon approval by the home university (which was declined in one case) and their availability at times that coincided with the researcher’s travel schedule. In the end, 14 rather than the planned 18 interviews were conducted (all but two in-country), with nine rather than six IBCs. This meant that the triangulation was more limited than planned for each case study (it was possible to interview two current managers and one past manager for only one IBC), but the breadth of the case studies turned out to be much broader. Arguably, this trade-off resulted in a more robust set of results than the original research design.

5. RESULTS

5.1. Introduction

This chapter sets out the results of the exploratory investigation into the challenges of managing an international branch campus (IBC). It uses the global integration (I) – local responsiveness (R) paradigm, derived from the international business literature to provides a tractable theoretical framework within which to organise the challenges facing the managers of IBCs. This approach frames the central challenge to an IBC manager in terms of the optimal trade-off between global integration (*in extremis*, operating a clone of the home university in the host country) and local responsiveness. There may be, in principle, a number of different aspects of the IBC for which the manager may choose the optimal trade-off. These include, most obviously, the extent to which the curriculum and assessment regime is localised to reflect conditions in the host country. There are three central research questions:

1. What are the key dimensions of the IBC that managers feel under pressure to localise?
2. What are the main factors which influence their chosen degree of localisation for each dimension?
3. How do these factors, and so the optimal degree of localisation, change over time?

The chapter is organised as follows. It first summarises the key characteristics of the host countries and the IBCs used as case studies, to set the results in a wider context. It then sets out the main results from the semi-structured interviews, which have been coded and clustered into ten broad themes, before showing how these clusters provide answers to the three research questions.

5.2. Overview of the three markets

The original research design set out to distinguish between host markets where there is significant excess demand for higher education and those that seek to establish themselves as education hubs to attract international students. In the former market, the IBCs are primarily ‘capacity absorbing’, mopping up the demand for higher education which cannot be satisfied by the local institutions. In the latter, the IBCs are oriented towards export education, using their international brands to attract foreign students (who represent foreign exchange while they are studying and potential skilled migrants after graduation). The rationale for this sampling dimension is that the regulatory environment is likely to be fundamentally different if the host country is seeking foreign IBCs to strengthen and broaden its domestic higher education sector (capacity absorbing) as opposed to attracting foreign students and export revenues (export-oriented).

Closer analysis of the three host markets used for this study shows that the distinction between capacity absorbing and export-oriented is much weaker than it at first appears. In the United Arab Emirates, widely regarded as the leading education hub, most of the students are the children of expatriate resident workers rather than foreign students. At the other extreme, China has been generally seen as seeking IBCs to help absorb demand, but its domestic higher education sector has grown hugely in the last decade and China now has ambitious plans to promote export education. Consider each host market in turn.

5.2.1. *United Arab Emirates*

Table 14: United Arab Emirates at a glance

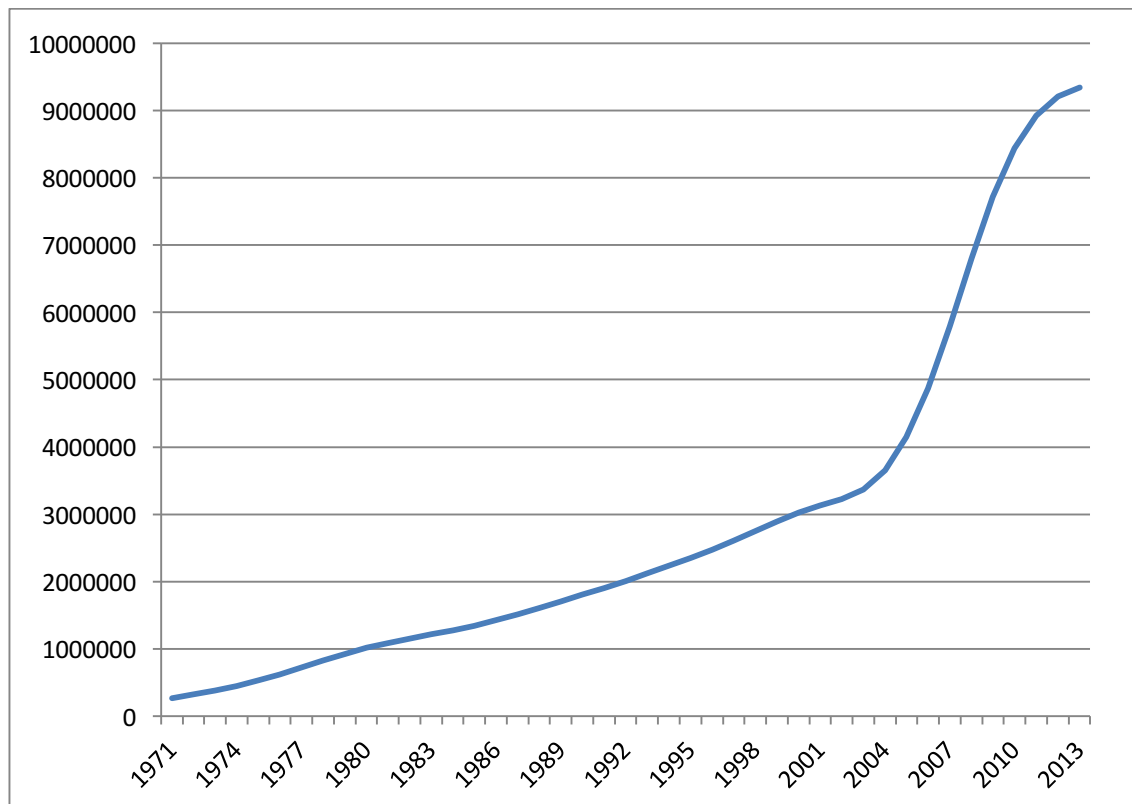
	Indicator	Reference Year
Per capita GDP (US\$, current prices)	\$43,048	2013
Population	9,346,129	2013
Gross tertiary enrolment rate	n/a	n/a
Expenditure per tertiary student (% of GDP)	n/a	n/a

Source: World Bank (n.d.)

The United Arab Emirates is a federal country comprising seven emirates (states): Abu Dhabi (the capital), Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah, and Umm al-Quwain. As in other federal systems (eg, the United States), each state has its own government (in this case, a hereditary ruler) and its own laws and regulations, with powers to govern at national level held by the Federal Supreme Council. The United Arab Emirates was established in 1971, after independence from the UK.

The country enjoys large oil reserves and, with a small population at the point of independence, it had one of the highest rates of per capita gross domestic product in the world at US\$74,832 in 1975 (World Bank n.d.). Over the following four decades, this led to a large influx of foreign labour, to both help exploit the country's natural resources and to invest the wealth in building physical infrastructure. Between independence in 1971 and 2013, the country's population grew from 272,211 to 9.35m. Figure 8 shows this population growth, which has accelerated very sharply since 2003.

Figure 8: Population in the United Arab Emirates



Source: World Bank (n.d.)

This rapid population growth, driven by net immigration, results in an unusual demographic structure. As Table 15 shows, only 11.5% of the population are Emiratis (national citizens). The remaining 88.5% are expatriates, who are entitled to reside in the country by virtue of the work permit held by the main earner in the household. The table also shows the gender imbalance of the expatriate population, reflecting the large numbers of single South Asian labourers who work in the country. Expatriates can apply for national citizenship, but the requirements are strict: they must have been continuously resident for at least 20 years, they must not have any criminal convictions and they must be fluent in Arabic.

Table 15: United Arab Emirate population by nationality and gender, mid-2010

<i>Nationality</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
Emirati	5.8%	5.7%	11.5%
Expatriate	68.8%	19.8%	88.5%
Total	74.6%	25.4%	100.0%

Source: United Arab Emirate National Bureau of Statistics

There are no current data on the citizenship of expatriate residents, but earlier censuses suggest that the majority of the population are from South Asia, with the next largest grouping from Iran and neighbouring Arab countries. Expatriates are not entitled to study in public schools and universities and, in the event that the main householder loses his/her job, the family's residence visa may be rescinded and the family required returning home.

For Emirati citizens, secondary and tertiary education is free. There are a number of public universities in the United Arab Emirates, notably the United Arab Emirates University founded in 1976 and Zayed University which was set up in 1998 for women. The language of instruction in the Emirati higher education system is Arabic. Higher education institutions are funded by the Ministry of Higher Education and Scientific Research and regulated by the Ministry's Commission for Academic Accreditation (CAA).

The vast majority of young people in the United Arab Emirates are the children of expatriate workers, many of whom have been born and raised in the country, and this group is excluded from the public education system. Historically, they studied in international schools and, for those seeking tertiary education, they went to university overseas, often in their parent's home country. Foreign universities began to establish themselves in the United Arab Emirates, primarily to provide higher education to the expatriate population, although they are open to all students, including Emiratis (Donn and Al Manthri 2010, Wilkins 2001). The American University in Dubai, founded in 1995, is probably the best-known of the early private institutions.

While the early private universities sought registration with the federal CAA, some of the states, notably Dubai, began to use its state powers to provide foreign universities with an alternative route to establishment. Dubai established free zones, where foreign universities could establish IBCs which were licensed not by the CAA, but by Dubai's Knowledge and Human Development Authority (KHDA). The state government was motivated by the need to retain skilled migrants and avoid the loss of foreign exchange when expatriates' children went overseas for study. To further encourage foreign universities to set up IBCs, the state government built purpose-built 'turnkey' campuses (Miller-Idriss and Hanauer 2011). The Dubai Knowledge Village was the first of these, followed by Dubai International Academic City (DIAC).

5.2.2. *Malaysia*

Table 16: Malaysia at a glance

	Indicator	Reference Year
Per capita GDP (US\$, current prices)	\$10,538	2013
Population	29,716,965	2013
Gross tertiary enrolment rate	36.0%	2011
Expenditure per tertiary student (% of GDP)	60.9%	2011

Source: World Bank (n.d.)

Malaysia is a federal constitutional monarchy comprising thirteen states and three federal territories. It became independent from the UK in 1957 and, in 1963, Singapore

seceded from the federation. A special feature of Malaysia (and Singapore) is the mixed ethnicity of the population. The indigenous aboriginal peoples of the Malayan Peninsular, the Orang Asli, reside in inland rural and forested areas and are only a small minority. The majority group are the Malays, which was the dominant coastal trading population prior to British colonisation in the 19th century. This population was Islamic and ethnically distinct from the aboriginal peoples. During the era of British imperial hegemony, large minority populations of Chinese and Indian workers and entrepreneurs settled in Malaysia.

The struggle for independence from the UK was led by the Malay population and, with independence, Malaysia adopted a constitution which gave the Malay population a preeminent position, with Malay as the national language and Islam as the state religion. Affirmative action policies such as the New Economic Policy and the National Development Policy were used to promote the advancement of the so-called ‘Bumiputra’, the collective term used to describe the Malays and indigenous tribes. This included positive discrimination in relation to jobs, education and business and access to publicly-subsidised housing. In the field of higher education, this included the Majlis Amanah Rakyat (MARA) scholarship programme, which provided overseas study loans for Bumiputra students. The importance of ethnicity in Malaysia is reinforced by a Westminster-style democracy, in which the main parties are organised along ethnic lines; the Malay Barisan Nasional has been the ruling party since independence.

Table 17: Ethnic composition of Malaysian population, 2010

Malay	50.1%
Chinese	22.6%
Indigenous	11.8%
Indian	6.7%,
Other	0.7%
Expatriates	8.2%

Source: The World Factbook

This historical background has shaped the development of higher education in Malaysia and, particularly, the development of IBCs in the country. The Chinese population has tended to be more economically successful, dominating the business community. Facing discrimination in terms of access to either domestic higher education or overseas study loans, many Chinese families chose to fund their children's overseas study privately. In the 1990s, when deregulation began to allow foreign universities to set up franchising and validating arrangements, Chinese entrepreneurs were in the vanguard in setting up private higher education institutions. For example, Sunway University, which was set up in 1987 as a private college, was founded by Jeffrey Cheah Fook Ling, a prominent Chinese-Malaysian businessman.

The Malaysian government began to open up higher education to private and foreign providers in the early 1990s to absorb unmet demand, particularly from non-Bumiputra students who were, until 2002, limited to 10% of the available places in public universities. The pace of franchising accelerated after the 1997 Asian financial crisis, which severely limited the financial capacity of Malaysian families to send their children for tertiary study overseas. Prior to 1997, there were a growing number of '1+2' and '2+1' franchise arrangements with UK and Australian universities, in which Malaysian students completed the first year or two years at the Malaysian college before travelling to the home campus of the foreign partner university to complete their degrees. With the scope to complete their qualifications compromised by the financial crisis and the foreign universities dependent upon a continuing revenue stream, many franchises morphed into '3+0', with the entire degree being franchised to the Malaysian partner.

To ensure the quality of the growing private higher education sector, the Malaysian government established the Malaysian Qualifications Agency (MQA) in 2007, to oversee the Malaysian Qualifications Framework (MQF). This framework, and its predecessors, provided a more rigorous regulatory regime within which private higher education could develop (Tham and Kam 2008). This has allowed the development of a number of IBCs (QAA 2010). There are presently six UK IBCs (Nottingham, Reading, Southampton, Newcastle, Wales Trinity St David and Heriot-Watt) and three Australian IBCs (Monash, Curtin and Swinburne). A number of private colleges have

been upgraded to university status, including Sunway and Taylor's Universities. As part of its Vision 2020 programme, the government is seeking to increase the enrolment of international students to 200,000 by 2020 (the figure was 103,000 in 2013), particularly targeting markets in the Islamic world like Bangladesh, Pakistan, Iran and the Middle East.

5.2.3. *China*

Table 18: China at a glance

	Indicator	Reference Year
Per capita GDP (US\$, current prices)	US\$6,807	2013
Population	1,357,380,000	2013
Gross tertiary enrolment rate	26.7%	2012
Expenditure per tertiary student (% of GDP)	n/a	n/a

Source: World Bank (n.d.)

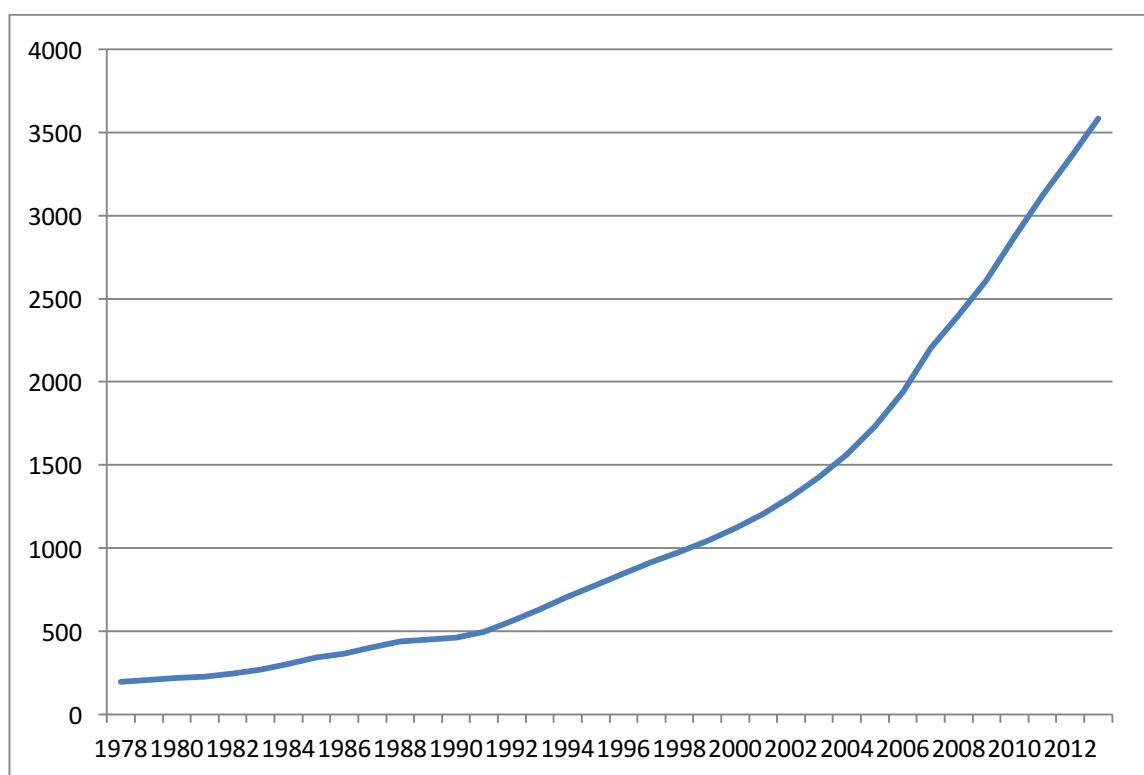
The People's Republic of China (PRC) is the world's most populous country. Although it suffered from the annexation of parts of its territory by European colonial powers in the 19th century and was invaded by Japan in the 1930s, it was never a colony like the United Arab Emirates and Malaysia. China has a long history of civilisation and rule by a succession of imperial dynasties, which used education and a rigorous examination system to select the country's officials and bureaucrats. After the Xinhai Revolution of 1911–12, the emperor was deposed and the country fell into civil war between the Kuomintang (Nationalist Party) and the communists, overlain by the Second Sino-Japanese War between 1937 and 1945.

When the Communist Party finally secured control in 1949 and established the PRC, there followed a period of political turmoil in which China closed its borders to the outside world and embarked on a series of reforms which led to social and economic hardship. At the height of the 'Cultural Revolution', many universities were closed as the Chairman of the Communist Party of China, Mao Zedong, sought to purge the remnants of capitalism and feudalism from China by encouraging young 'Red Guards'

to destroy cultural artefacts and imprisoning millions of alleged ‘counterrevolutionaries’, including many intellectuals and professors.

China began to rebuild its society and economy after the death of Mao in 1976. Although the country remains a one-party state governed by the Communist Party, early moves like the ‘Open Door Policy’ in 1978 to liberalise Chinese business were followed by a wave of pro-market reforms which have driven an unprecedented rate of economic growth over the period since. As Figure 9 shows, when the effects of inflation are removed from the data (so that the figures are in constant, rather than current, prices), China’s per capita gross domestic product has increased from near-starvation levels in 1978 (US\$195 per capita) to nearly US\$3,600 by 2013, an almost 20-fold increase. To set this growth in context, over the same period, the United Arab Emirates has seen per capita gross domestic product fall from US\$67,115 to US\$25,140 (reflecting the huge increase in population), while Malaysia has posted a modest increase from US\$2,069 to US\$6,997.

Figure 9: Chinese per capita gross domestic product (US\$, constant prices)

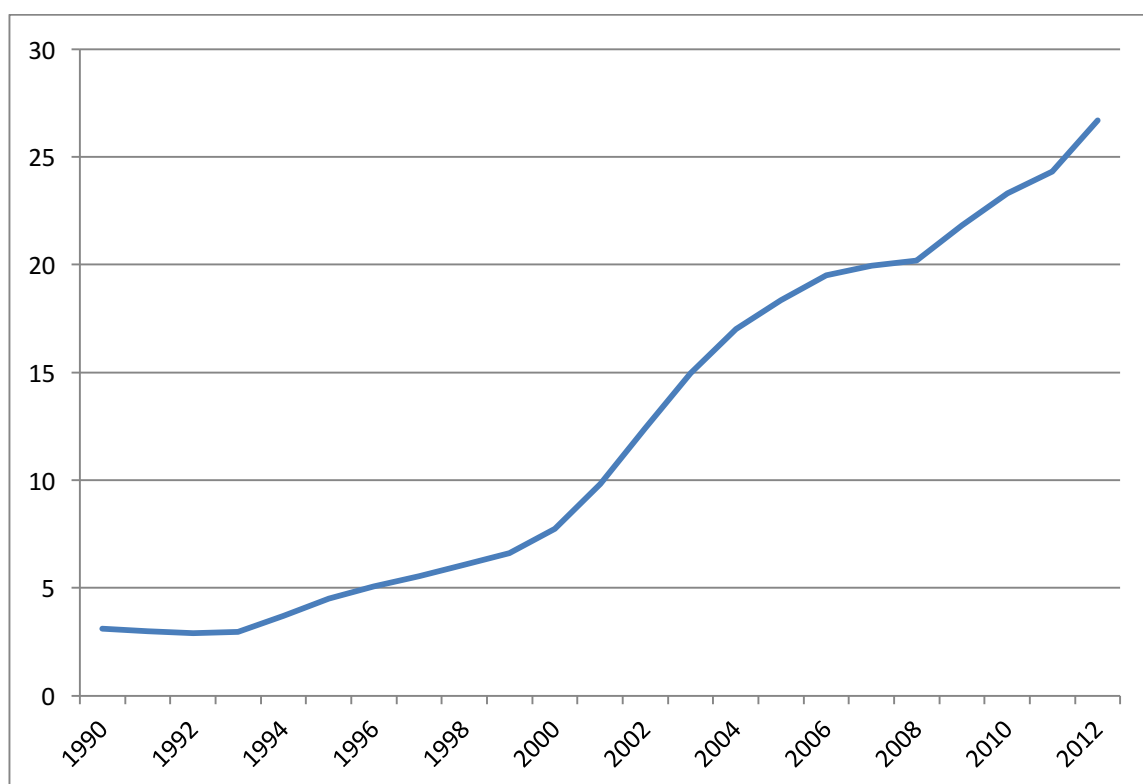


Source: World Bank (n.d.)

This rapid economic growth has enabled the Chinese government to invest heavily in public higher education, rebuilding traditional pre-revolution universities like Tsinghua (1911), Peking (1898) and Fudan (1905) and opening new campuses (Brandenburg and Zhu 2007). Figure 10 shows that the growth in the gross tertiary enrolment rate, defined as the proportion of the population aged within five years of the end of secondary education who are enrolled in tertiary education, has risen dramatically from around 5% in the 1990s to 27% in 2012, with most of the growth coming in the last decade.

There are presently approximately 1,090 universities in China (with another 1,200 other higher education institutions). The universities admit nearly 6m students a year through the national entrance examination (Gao Kao) and total enrolments are 22m. Higher education policy in China has been characterised by a number of major national initiatives to increase the quality and international ranking of Chinese universities, including the ‘211 Project’ (providing additional funding to 118 universities) and the even more exclusive ‘985 Project’ (benefitting only the top 39 universities).

Figure 10: Gross tertiary enrolment rate in China (%)



Source: World Bank (n.d.)

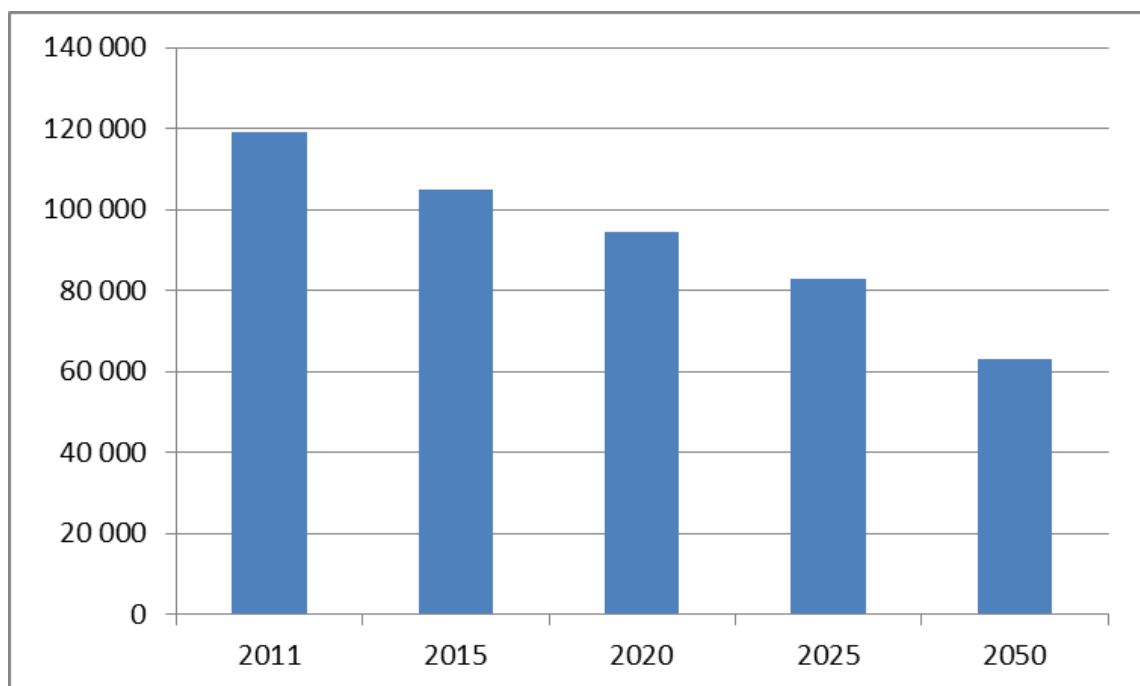
With China's membership of the World Trade Organisation, the Chinese government was required to reform its regulatory framework for engaging with foreign universities. The 'Regulations of the People's Republic of China on Chinese-foreign co-operation in running schools' came into effect in 2003 allowing foreign universities to set up IBCs in cooperation with Chinese universities (Feng and Gong 2006). There are now a plethora of partnership arrangements between UK universities and Chinese educational providers, including '2+2' and related forms of articulation and progression agreements, distance-learning provision using shared facilities on Chinese campuses and many dual and joint degrees. A recent report by HEFCE found that 'More than half of all first degree students...55 per cent of the Chinese entrants...commence their first degree directly from UK transnational education delivered overseas' (HEFCE 2014, p.1). In contrast, there are presently only two UK universities with IBCs in China, the Universities of Liverpool (with Xi'an Jiaotong University) and Nottingham (with Zhejiang Wanli University).

The third trend, apart from rapid economic growth and the dramatic increase in the scale of the domestic higher education sector, which sets China apart from the other two host countries, is the rapidly changing demographic outlook for universities. The 'one-child policy' was introduced in 1979 to curb the previously rapid growth in the country's population. Although there are certain limited exemptions for farming families and ethnic minorities (note: 92% of China's population are Han Chinese, the world's largest ethnic group), the policy has had a marked impact (Wang 2005). China's population almost doubled between 1960 and 1990, growing from 667m to 1.14bn. In the last decade, growth has slowed to 0.5% *per annum*, with the total population rising from 1.29bn in 2003 to 1.36bn in 2013.

This sharp fall in population growth has been achieved despite rising numbers of older people as life expectancy increases. Between 2000 and 2010, the median age of the Chinese population increased from 29.6 to 34.6 years. As a consequence of the ageing structure of the population, the slowing growth of the overall population has concealed the very sharp fall in the younger age groups. In 2000, there were 434m people in the 0-19 year group and 233m people aged 50+. By 2010, the number of young people aged 0-19 years had fallen to 355m (a reduction of 80m), while the number aged 50+ years

risen to 329m (United Nations n.d.). As Figure 11 shows, the sharp decline in the number of young due to the one child policy, exacerbated by falling fecundity due to urbanisation and increased female participation in post-secondary education, means that the numbers moving into the critical 20-24 year age group will fall dramatically over the next three to four decades. This will dramatically reduce the demand for university education with the 20-24 age group contracting by 30% between 2011 and 2025, a trend which is already well-established in other Asian countries like Japan, Korea and Taiwan.

Figure 11: Population forecasts for 20-24 age group, China (medium forecast)



Source: United Nations Department of Economic and Social Affairs, Population Division (n.d.)

5.3. Overview of the nine IBC case studies

5.3.1. The University of Bolton Ras al Khaimah

The University of Bolton formally opened its IBC in Ras al Khaimah in October 2008, using a live satellite link to coordinate a ceremony in Bolton with Prince Edward with the ceremony in Ras al Khaimah (RAK) presided over by Sheikh Faisil, Chairman of the RAK Free Trade Zone Authority. The IBC was initially based in a repurposed

commercial building, which was leased. As student numbers increased, the IBC relocated to an eight story building in July 2009, which had been fitted out by the IBC of the University of Pune which had subsequently withdrawn from the UAE market (Pathak 2011).

In July 2010, the IBC moved into its present accommodation, a purpose-built campus that had been constructed for George Mason University which also abandoned the UAE market in 2009 (Mills 2009, Stripling 2009). The campus is adjacent to that of the private American University of Ras al Khaimah and the two institutions share some residential and sporting facilities. Both campuses are in the RAK Free Trade Zone and are owned by the ruling family.

The University of Bolton's local partner in RAK is Kartha Educational Services (KES). KES leases and operates the campus and employs all the academic and administrative staff, with the exception of those seconded from Bolton University. Illustrating the difficulty of getting a tractable definition of an IBC, Bolton's RAK campus could be viewed as a franchise (QAA 2014). The subsidiary of KES which operates the campus is incorporated in Ras al Khaimah as Western International College (WINC) FZE. It has its own website² and also teaches franchised programmes from Edexcel and the University of London International Programmes.

However, the University of Bolton's website actively promotes the IBC as a campus of the university, claiming that the 'Ras al Khaimah campus aims to provide higher education using the ethos, environment and processes devised and controlled by the main campus. The RAK campus students are part of the University of Bolton's student community'³. Visually, the IBC is strongly badged as the University of Bolton, with signage and posters, and the students are strongly encouraged to consider themselves as Bolton students.

² www.winedu.net

³ www.bolton.ac.uk/UAE_Campus/Home.aspx

The University of Bolton's website claims that the IBC presently 'has over 500 registered students'⁴, mainly studying business, computing and engineering, although the QAA reported '178 full-time undergraduate students and 40 part-time postgraduates' (QAA 2014, p.33).

5.3.2. *Heriot Watt Dubai*

Heriot-Watt University opened its IBC in Dubai in 2005. Initially, Heriot-Watt was based in the Dubai Knowledge Village, an educational free zone in Dubai. Dubai Knowledge Village is a purpose-built campus, where foreign universities can rent offices and classrooms and their students have access to common public areas, gardens, and catering, social and recreational facilities. Dubai Knowledge Village is one of several specialised free trade zones, which also include Dubai Media City and Dubai Internet City.

Dubai Knowledge Village is owned and operated by a subsidiary of Dubai Holdings called TECOM Investments. Buoyed by the Village's early success, when it attracted universities from around the world, including Michigan State University (which has now withdrawn), University of Wollongong, Saint Petersburg State University of Engineering and Economics and Manipal University (India), TECOM Investments decided to refocus Dubai Knowledge Village as an executive education centre for universities and corporate training companies, gradually moving more mainstream IBCs to a new facility with greater scope for expansion. Dubai International Academic City (DIAC) was established in 2006 and foreign IBCs began to relocate there from Dubai Knowledge Village, including Heriot-Watt.

DIAC is a large complex which currently houses about a dozen foreign IBCs, including Amity University (India), Hult International Business School, Indian Institute of Management (IIM) Indore, Mahatma Gandhi University and Murdoch University. Heriot-Watt moved into the main DIAC building in 2009, but student enrolments grew

⁴ www.bolton.ac.uk/UAE/Campus/AboutRasAlKhaimah.aspx

quickly and the IBC had to constantly try to negotiate with TECOM Investments for additional floors to accommodate students and staff.

In 2010, Heriot-Watt entered a partnership with a local company, Eikon International Holdings, to build a new campus on TECOM Investments-owned land near the original DIAC buildings (Manipal University and BITS Pilani University have also subsequently built their own stand-alone campuses close to the DIAC complex). Eikon owns and operates the buildings and employs the support and professional services staff. Heriot-Watt employs the academic staff, who is treated as full members of the academic schools on the home campus. There are presently roughly 3,500 students at Heriot-Watt's IBC, with capacity to expand to 4,500.

Foreign IBCs operating in the educational free zones in Dubai may choose to be accredited by the Knowledge and Human Development Agency (KHDA), which requires that IBCs offer the same qualifications (including degree titles, curriculum and learning outcomes) as they do on the home campus. Like almost all foreign IBCs, Heriot-Watt Dubai is accredited by the KHDA. As noted above, the alternative is to seek accreditation from the federal UAE Ministry of Education, which licenses private Emirati universities. The latter allows IBCs to offer degrees tailored to the local market needs and for graduates to be employed by the public sector (which graduates from KHDA-accredited institutions cannot). However, the IBC must be incorporated as an autonomous private university and award local degrees, which must follow the US four-year model. The University of Wollongong in Dubai had an IBC with federal accreditation prior to the establishment of the KHDA in 2008 and has chosen to remain as an autonomous university, offering its own local degrees by making the foundation year compulsory to meet the four year rule (Whelan and Kratochvil 2011).

5.3.3. Middlesex University Dubai

Like Heriot-Watt, Middlesex University also opened its IBC in Dubai Knowledge Village in 2005, but has resisted TECOM Investments' plan to relocate foreign IBCs to DIAC. It occupies a building which previously housed the University of Southern Queensland (USQ) campus in Dubai; USQ withdrew from the UAE market in the early

2000s. Middlesex University rents the space in the Dubai Knowledge Village. However, organisationally, the IBC is incorporated as Middlesex International, a locally-registered company which is jointly owned by Middlesex University and Middlesex Associates FZ Ltd, a Dubai-based company which is part of the Edulink Group.

Middlesex International is managed by a Board of Directors, comprising representatives of Middlesex University and Middlesex Associates, and Middlesex International employs all the academic and administrative staff, including the senior managers. Middlesex normally seconds senior staff to work in Dubai, but currently the acting provost is locally hired. The use of flying faculty to support teaching was phased out relatively quickly, partly on grounds of cost (it is expensive to send staff from London on short-term teaching assignments), but also because the IBC managers found they could recruit a similar calibre of staff in Dubai as the home campus.

Like Heriot-Watt, Middlesex is licensed by the KHDA. The IBC currently has approximately 2,600 students, but its portfolio is broader than Heriot-Watt's and includes education, media and psychology, as well as business and management.

5.3.4. Newcastle University Medical School (NUMed)

Newcastle University began to explore the idea of establishing a private medical school in Malaysia in 2006, when the University was approached by University Engineers Malaysia, the construction company developing the new 'development corridor' of Iskandar. Iskandar is modelled on Shenzhen, the new city in mainland China just over the border from Hong Kong SAR. Like Shenzhen, Iskandar is intended as a development zone which allows businesses which cannot expand in the nearby island city the space to grow; the area planned for development in Iskandar is roughly two and a half times the land mass of neighbouring Singapore.

The campus was designed in collaboration with Newcastle University and built by the Malaysian government. Newcastle University owns the IBC in its own right, the first UK university to have a wholly-owned IBC, although the land remains government-

owned. It purchased the campus from the Malaysian government on a 30 year loan, at preferential interest rates; at the termination of the loan, there is a clause which allows the University to continue to lease the land at a 'pepper corn' rent.

The campus opened its doors in 2011. Although NUMed is a distinct campus, it is limited to teaching-related buildings. It is part of a much bigger student district called EduCity, which provides shared services like catering, sports and accommodation to all the foreign IBCs that are expected to establish in Iskandar. Apart from Reading and Southampton, the other foreign IBCs already operating include Raffles University, Multimedia University and the Management Development Institute of Singapore (MDIS).

NUMed is a specialist medical school. About 80% of the academic staff are presently employed by NUMed, as a subsidiary company of the University, with the remaining 20% seconded from the home campus on a long-term basis. NUMed is accredited by the Malaysian Ministry of Education, which needs to approve the curriculum, tuition fees and academic staff. Its degrees are also validated by both the UK's General Medical Council and the Malaysian Medical Council. In 2014, there were 365 students enrolled, with the number planned to increase to 500 in 2015.

5.3.5. University of Nottingham Malaysia Campus

The University of Nottingham opened its IBC in Malaysia in 2000, using leased space in the former Majestic Hotel building in Kuala Lumpur. In 2005, it relocated to a purpose-built campus in Semenyih, 30km south of Kuala Lumpur. The campus is built on a 101 acre site which was formerly a rubber plantation. The campus buildings are designed to be evocative of the Nottingham campus, with the main administration building called the Trent Building and, as in Ningbo, architecturally modelled on the original Trent Building (constructed in 1928) on University Park in Nottingham.

In contrast to the IBCs in Iskandar, the University of Nottingham Malaysia Campus (UNMC) is self-contained and does not rely on shared services with other IBCs. The

campus includes student housing, a library, a student centre and a sports complex which has a swimming pool and both indoor and outdoor sports facilities.

UNMC is incorporated as a Malaysian company, 'University of Nottingham in Malaysia Sendirian Berhad', which is jointly owned by the University of Nottingham (which has a 30% equity share) and two Malaysian companies which hold the balance of shares. The larger joint venture partner in terms of its shareholding is Boustead Holdings Berhad, a conglomerate corporation with more than 130 subsidiaries, including businesses operating in the property, finance and investment and service sectors. Boustead Holdings has 12,000 employees and its largest shareholder is Lembaga Tabung Angkatan Tentera (LTAT), the armed forces superannuation fund (Boustead Holdings Berhad n.d.). UNMC is managed by Boustead's Finance and Investment Division. The other partner is YTL Corporation Berhad, an infrastructure conglomerate with interests in construction, property development and hotels and resorts. It is one of the largest companies listed on the Malaysia stock market (Bursa Malaysia) with a market capitalisation of US\$8.5bn (YTL Corporation 20).

The chief executive officer (CEO), known as the provost, is a seconded member of senior staff from the University of Nottingham and s/he reports to the joint venture management board, which comprises senior managers from the three partners. Apart from three to four seconded senior staff from the University of Nottingham, the academic and administrative staff are all employed by UNMC, some on 'international' terms and conditions (broadly equivalent to staff at the University of Nottingham), but most on 'local' contracts with salaries benchmarked on private Malaysian universities. Boustead Holdings provides UNMC with access to a full range of corporate services (eg, human resources management, tax advice, financial services and project management) and most of UNMC's policies on matters from entitlement to maternity leave to the accounting treatment of equipment depreciation are aligned with those of Boustead Holdings.

5.3.6. *University of Reading Malaysia*

The University of Reading began teaching at its Malaysian IBC in September 2013, using leased commercial premises in Menara Kotaraya. Its new purpose-built campus in Iskandar is currently under construction, with the aim of moving academic and administrative staff into the new facility in June 2015, ready for the start of the new academic year in 2015/16. The IBC includes the provision of a foundation year which prepares students for degree-level study. The foundation programme recruited its first cohort in September 2013; half the students subsequently went to Reading to begin their studies in the UK in September 2014, while the remainder joined a BSc in Finance and Business Management, which was the IBC's first degree programme. The University of Reading is planning to establish academic departments of business, pharmacy, psychology, law and the built environment (including construction management and quantity surveying).

The University aims to increase enrolments in the IBC to 2,500 by 2020, with the interim goal of having 100 staff (split equally between academic and administrative staff) in post for the start of 2015/16. The provost, deputy provost, project manager and heads of departments are seconded from the University of Reading on fixed term contracts, which can be renewed. The rest of the staff are recruited locally, with appointments actually made by selection panels of UK-based staff who travel to Malaysia for the purpose. To help the local staff come to terms with the University's quality assurance systems, departmental quality assurance managers in the UK have been attached to each of the IBC's counterpart departments and make occasional visits to Malaysia to train and support their new colleagues.

The University of Reading's campus is, arguably, the most ambitious of the three UK Iskandar IBCs. Unlike Newcastle and Southampton which are limited to a single discipline (medicine and engineering respectively), the University of Reading is planning to have a broad based curriculum offering and is building a campus with the capacity for 3,500 students. Like the other two, the University of Reading owns the campus and does not have a local joint venture partner. The buildings have been

purchased from the Malaysian government on a long-term loan and the government land is leased.

5.3.7. University of Southampton Malaysia

The University of Southampton opened its Malaysian IBC in Iskandar in 2012. It currently offers engineering degrees on a '2+2' model, with students spending their first two years at the IBC and then transferring to the home campus to complete their advanced studies. The degrees offered include the MEng Mechanical Engineering and MEng Electrical and Electronic Engineering. These degrees have compulsory courses in the first two years to build the foundations of knowledge, after which students choose to specialise in the final two years in a range of topics (eg, mechatronics, automotive engineering, materials engineering). By splitting the degrees in this way, the University can allow students from the IBC to benefit from access to leading research facilities and equipment without having to replicate expensive facilities in the IBC. The degrees are accredited by MQA and the Board of Engineers Malaysia (BEM).

The campus is essentially a large building, which houses the offices, classrooms and laboratories. The building is leased while the University decides whether to proceed to the second, more ambitious phase, which is to lease a 20 acre site within EduCity and build a purpose-built campus, with the view to expanding enrolments to 3,000 students. The current operation is relatively small, with 60 students in 2013/14. The provost is seconded from the home campus and approximately half the staff are locally hired by the IBC, with the balance made up of seconded staff and flying faculty from the UK.

The IBC is a wholly-owned Malaysian subsidiary of the University of Southampton and the provost is the CEO. The provost is supported by two deputies, both of whom are locally hired. One manages quality assurance and the IBC's relationships with MQA and the Ministry of Education; the other is designated as the Chief Operating Officer (COO) and runs the IBC's administrative services. The IBC is located across the road from NUMed and its students use the same shared services provided by EduCity; eg, the International Student Village (ISV) and EduCity Stadium and Sports Complex (Iskandar Investment n.d.).

5.3.8. *International University of Malaya-Wales (IUMW)*

International University of Malaya-Wales (IUMW) has parallels with Xi'an Jiaotong Liverpool University (XJTLU), in the sense that it is joint venture between two public universities to create a new jointly branded private university. The main difference is that XJTLU is sited in Suzhou, some distance from its Chinese parent in Xi'an, whereas IUMW occupies the former city centre campus of the University of Malaya, which is now located on a 750 acre parkland campus southeast of Kuala Lumpur.

The University of Malaya decided to establish a private university in 2010 when it was granted autonomous status from the Ministry of Education, as a result of which it needed to diversify its revenue streams to offset the phased reduction in public funding. The Minister determined that approval to set up a private university would be contingent on finding a more experienced partner and the University of Malaya approached the University of Wales, which then had approximately 130 validated centres (mainly private colleges) offering its degrees under licence around the world.

In October 2011, following heavy criticism of the way it had managed its validated centres, the University of Wales announced that it would close. Most of the validated centres would be put into 'teach out' (to protect students already enrolled) with other parts of the university being transferred to a new university, the University of Wales Trinity St David (UWTSD). In anticipation of this decision, the vice-chancellor of UWTSD, Professor Medwin Hughes, was concurrently appointed as vice-chancellor of the University of Wales to manage the transition in October 2011. UWTSD had been created a year earlier, in November 2010, through the merger of the University of Wales Lampeter and Trinity University College Carmarthen, using Lampeter's 1828 Royal Charter⁵; Swansea Metropolitan University merged with UWTSD in August 2013. The partnership with the University of Malaya passed from the University of Wales to UWTSD, although the planned title of the IBC remained as IUMW.

⁵ The degree-warding powers under the 1828 Royal Charter were set aside when Lampeter joined the University of Wales in 1971.

IUMW's degrees are accredited by the MQA, so that it awards dual degrees, one from the UWTSD and one from IUMW itself. Unusually, IUMW has approval from the MQA to offer dual degrees although this is not formally required (eg, Sunway University and Lancaster University offer a dual degree which is not approved by the Ministry of Education). UWTSD made MQA approval a requirement, presumably to rebuild credibility after the validation scandal which caused the closure of the University of Wales in 2011.

The president and vice-president at IUMW are seconded from the University of Malaya, while the registrar, who is responsible for, *inter alia*, quality assurance is effectively seconded from UWTSD (ie, he was registrar at Trinity St David College, one of the constituent parts of UWTSD, and moved to IUMW after his retirement).

5.3.9. University of Nottingham Ningbo Campus

The University of Nottingham Ningbo Campus (UNNC) was the first Sino-foreign joint higher education venture to be established in China in 2004. There are still relatively few Sino-foreign universities, with only one other involving a UK university (XJTLU). There are three Sino-US joint ventures, NYU Shanghai (New York University and East China Normal University), Duke Kunshan University (Duke University and Wuhan University) and Wenzhou-Kean University (Kean University and Wenzhou University). The sixth is Chinese University of Hong Kong Shenzhen (Chinese University of Hong Kong and Shenzhen University). As in Malaysia, these IBCs are legally established as independent entities, under the control of Chinese Ministry of Education. Because the UK IBCs award degrees of the home university, they are also subject to oversight by the UK's QAA.

UNNC is a joint venture between the University of Nottingham and Zhejiang Wanli Education Group (WEG), a private education provider that operates, *inter alia*, Zhejiang Wanli University in Ningbo⁶. UNNC is a purpose-built campus which was constructed with financial support from the Zhejiang provincial government and Ningbo municipal

⁶ www.en.zwu.edu.cn

government, believed to be in the region of US\$60m in the first instance (Observatory on Borderless Higher Education 2003). As with UNMC, the campus buildings were designed to be evocative of the main buildings on the University Park campus in Nottingham.

UNNC is managed by a joint venture board, with senior managers from the University of Nottingham and WEG. Uniquely, Sino-Chinese universities are required to have a president, who serves as the equivalent of the party secretary in a Chinese university and manages relations with the Communist Party. The president of UNNC is Professor Yang Fujia, a former president of Fudan University (1994-99), who also concurrently served as the University of Nottingham's chancellor (2001-13), an honorary ceremonial position in UK universities. The provost of UNNC, who is a seconded senior manager from the University of Nottingham, acts as chief executive (see Ennew and Fujia 2009 for a wider discussion of the structure of UNNC).

There are approximately 325 academic staff at UNNC, of whom between 16 and 20 are seconded, mostly the more senior staff to help align the organisation culture with that of the home campus. Although the administrative staff are locally recruited on terms and conditions determined by the market, the academic staff base is unusual for an IBC. The academics are recruited internationally to academic ranks (assistant professor, associate professor, etc) which map onto the career grades on the home campus. The salaries are also exactly the same as in the UK, although staff at UNNC are not eligible to join the Universities' Superannuation Scheme (USS). They do, however, receive an additional entitlement to flights home and local living allowances, including private medical insurance. In addition, foreign staff working at UNNC enjoy a three year income tax 'holiday', after which they are subject to an income tax rate in the region of 20-25%.

5.4. Interview results

This section presents the results of the analysis of the 14 transcribed interviews with current and former managers of the nine UK IBCs. The following process was

followed. The first stage was coding. The purpose was to organise the qualitative data into conceptual ‘bins’. Each code is effectively a category or ‘bin’ into which a piece of data is placed. ‘Codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study. Codes are usually attached to “chunks” of varying size – words, phrases, sentences or whole paragraphs’ (Miles and Huberman 1994, p.56). The goal was to develop codes which are valid (accurately capture what is being researched), mutually exclusive (ie, do not overlap with each other) and as exhaustive as possible (so that all the data fits into a code).

To undertake the open coding exercise, the transcripts were studied and codes assigned to the meaningful statements, ignoring those parts of the transcript that related to the general introductions and occasional diversions. The transcripts were then re-analysed against the initial set of codes. While these original codes proved to be very useful, some new codes were generated and others modified (an iterative process known as axial coding). Once a finalised set of codes was confirmed, all the transcripts were again analysed and recoded.

The second stage was to organise the coded data into clusters, or groups of data which shares a common theme (Biddle *et al* 2001). For example, one code was for management experience and another for international experience (most of the managers of the IBCs had relatedly little experience of senior management in their previous career, while many also had limited prior international experience). The higher level cluster which grouped these lower level codes is ‘career’. ‘The intent is to develop an account of a phenomenon that identifies the major constructs or categories in grounded theory terms, their relationships, and the context and process, thus providing a theory of the phenomenon that is much more than a descriptive account’ (Ovaska *et al* 2007, p.1402)

Table 19 illustrates the codes which were gradually refined from the initial open codes by axial coding and the clusters which subsequently emerged. The following subsections discuss each of the clusters of coded data in more detail, to provide a basis for discussion in the next chapter of the way these results fit into, and further extend, the global integration (I) – local responsiveness (R) paradigm.

Table 19: Codes vs clusters

Codes	Clusters
MNGEXP: Prior managerial experience	5.1 CAREER
INTEXP: Prior international experience	
PERCRC: Personal circumstances	
CURSTY: Natural curiosity	
LOCSTF: Local staff	5.2 STAFF
SECSTF: Seconded staff	
INTSTF: International staff	
IDTSTF: Staff identity with IBC	
ADMSTF: Administrative staff	
HSTGOV: Host government	5.3 HOST COUNTRY
HSTREG: Host regulator	
HSTEMP: Host country employers	
JVPMGT: Joint venture management	5.4 JOINT VENTURE PARTNER
JVPPRC: Joint venture processes	
JVPOBJ: Joint venture objectives	
UNIMGT: Home university management	5.5 HOME UNIVERSITY
UNIPRC: Home university processes	
UNICOL: Home university colleagues	
DOMCMP: Domestic competitors	5.6 COMPETITORS
IBCCMP: IBC competitors	
HMECMP: Home competitors	
INTCMP: International competitors	
DOMSTU: Domestic students	5.7 STUDENTS
DIVSTTU: Student diversity	
INTSTU: International students	
EXPSTU: Student experience	
CURQAL: Quality assurance	5.8 CURRICULUM
CURDEV: Curriculum development	
RESQAL: Research quality	5.9 RESEARCH
RESSUP: Research support	
RESDIF: Research differentiation	
MANAUT: Managerial autonomy	5.10 SELF-DETERMINATION
MANALN: Managerial alienation	
MANSUP: Managerial start-up	
MANCUL: Management and culture	

The following sections discuss the main results for each of the clusters.

5.4.1. Career

In the main, the managers interviewed were seconded from the home university, in order to exercise control over the management of the IBC. Only two were hired directly by the IBC and had never worked at the home university. In both cases, however, they had previously worked at the IBC in a more junior capacity, during which time it had been led by a secondee from the home university. The presumption must be that their track record had convinced the home university of both their competence and loyalty.

While the managers differed considerably in age and gender, a common theme was that most of them had little previous management experience at the home university. One noted that ‘I didn’t have any senior management role at University of M...so this really is getting into the deep end’ (Interviewee D). Another said ‘it was the first really senior manager role...I’d not had anything at that level’. This appeared to be characteristic of most of the IBCs. In relation to his senior colleagues, one provost said ‘none of them had any managerial experience. Not even the two Vice-Provosts. Other than research groups, none of them had any sort of line management responsibilities’ (Interviewee A).

The lack of significant prior management experience is a striking finding. Given the inherent riskiness of establishing and running an IBC, it is surprising that universities do not seem to second their most experienced and successful senior managers to take on these roles. The stakes are high. One interviewee said ‘I am the registered chief executive. If anything happens there I could be fined RM50,000 and jailed. A VC was jailed here five years ago for business malpractice’ (Interviewee F). The managers themselves recognised their inexperience as a problem. One explained that ‘for nobody really to have any line management experience meant we were all learning on the job... and of course it’s in a completely different culture and a completely different environment’ (Interviewee A). Referring to the pressures of managing an IBC in a foreign culture, another revealed ‘my wife said I lost a bit of hair, it was the most stressful time of my career’ (Interviewee J).

Illustrating the difficulties of trying to access support from the home university, one inexperienced manager explained that when he had been seconded to the Gulf, he had been promised regular meetings with the vice-chancellor and senior colleagues over Skype to provide him ongoing support and mentoring. In the event, 'in the UEA video conferencing is illegal' (Interviewee J). The support became limited to occasional telephone conversations.

One explanation for the inexperience of the managers, especially those involved in the start-up phase of an IBC, is that it is often the university's first major offshore venture. The role of provost of the IBC does not exist in the management hierarchy, so there has been no prior development of candidates for this role. For existing deans and pro-vice-chancellors, taking on the development of an IBC is often seen as 'career suicide' which might compromise their subsequent chances of a more senior position. One manager claimed that 'the reputation in the UK was that going to [the IBC] was career death' (Interviewee N). Another bluntly asserted that 'it is only attractive to retired people, who have their pensions and can afford to take the risk. It might go wrong' (Interviewee H).

Several of the managers were, in fact, retired. One model was for the individual to retire from the university and then immediately take up a fixed-term role as a senior manager in the IBC. In a technical sense, they were not seconded by the university, but hired by the IBC, although to all intents and purposes their primary loyalty is to the home university. Most were, however, younger and seconded from the home university, but reported being motivated by factors other than wanting to develop a managerial career. One explained that 'I didn't do this as a career move. I didn't do it because this leads to this. I'm not counting brownie points...I came out here to build a campus. Which is what I did' (Interviewee G). A desire to have an international experience was often cited as the primary reason. One said 'going to university, coming from a working class background, I saw that people had international experience as a child and I wanted to give that to my children' (Interviewee C); another confessed that 'being in Asia is head spinning! I have been to Korea, Japan. I am learning so much!' (Interviewee N).

Those managers who were involved in the start-up phase, rather than joining a more established IBC, understandably reported that the chance to be involved in building something new was attractive to them. One said ‘it's exciting to run a new project. How many people get to create a new university? I am the only one who sat down and figured out what it would look like. Building a team is fun. Creating a team is exciting’ (Interviewee H). Others reported that they were simply looking for a new challenge in mid-career. As one observed ‘I was in the situation where I was looking for something new. I’d done all of the stuff I needed to do for research. Endless research grants, 20 PhD students, lots of papers, [I was] not wanting to retire but wanting to do something completely different’ (Interviewee G).

Reflecting the fact that so many of the managers had roles that had been newly created on an *ad hoc* basis, rather than being part of an established managerial hierarchy, the selection processes were often informal. One said ‘I got approached, out of the blue, to say would I like to go out there [to the IBC]’ (Interviewee A). Another said ‘they came to me...[and] I said, “where’s the business plan, where’s your market survey?” They said, “we don’t have anything.” All they had was basically that they had a mind to come here, and the offer from the Ministry was to build a campus. That was it. I was basically given the job. It was really left for me to do the whole thing and define what this would be’ (Interviewee G). Even when there was a formal process, it was relatively tokenistic. One noted that ‘the VC approached me to be the academic director of an IBC, although there was a selection process. The JD [job description] was great, but there was nothing there. All there was, was a vision from the VC, a business partner and the legals going through due process’ (Interviewee J).

The general picture that emerges is that, in all but the longest established IBCs, the managers are typically appointed in a fairly informal, *ad hoc* fashion. Because the roles in the IBCs are new and outside the normal managerial hierarchical, they are often unattractive to career managers, so instead they are given to either long-serving staff members close or at retirement, who have little to fear if the venture goes wrong, or to younger staff who are looking for a new challenge or international experience. One interviewee was deeply critical of this approach, noting that ‘I think sometimes that the

approach by VCs or senior management team has been sporadic. I think from a business point of view if this was a multinational company they'd be ousted' (Interviewee L).

However, the counterargument is that there is no feasible alternative. While a multinational company might undertake an international job search for the chief executive officer of a new Malaysian joint venture, seeking an experienced manager fluent in English and Bahasa Malaysia with a strong track record of managing multinational joint ventures, there is no equivalent pool of IBC managers. Moreover, there is widespread view that the only way of establishing and maintaining the appropriate academic culture in an IBC is for the senior managers to be seconded from the home university. As one experienced IBC manager noted 'we recognise the need for certain key leadership roles to have obvious links back to the UK, so we're looking to have secondees in a series of key roles' (Interviewee B). If the existing senior managers are unwilling to take on the roles in the IBC for risk of compromising their careers, then the only choice is to look to those who are less risk-averse by virtue of age, personal circumstances or personality.

5.4.2. *Staff*

The managers identified three different types of academic staff at the IBCs: seconded staff (which generally include the managers themselves; see 5.1 above), international staff and local staff. The precise terminology used varied between IBCs, but the basic characteristics of each are as follows.

Seconded staff are normally academic staff employed by the home university who are seconded for a fixed period to work at the IBC. Normally they retain their UK terms and conditions (eg, holiday entitlements, pension arrangements). Because they are being asked to work at the IBC, but have their permanent home in the UK, they are generally given additional benefits to compensate them for the additional costs they incur during the secondment — for example, housing allowances to rent accommodation at the location of the IBC, schooling allowances (because they are likely to have to send their children to private international schools), medical insurance and regular flights

back to the UK for themselves and their family. These benefits packages, on top of their UK salaries and employers' pension contributions, mean that seconding staff can be very costly relative to hiring local staff.

International staff are academic staff who are hired through an international recruitment and selection exercise, on terms and conditions (including salaries and academic ranks) that are either the same as, or fairly closely related to, the equivalent academic rank at the home university. The purpose of hiring staff in this way is that the IBC can recruit academic staff of a calibre equivalent to that of the home university, which makes it easier to maintain the quality of provision and the development of an appropriate academic culture. The main difference between seconded and international staff is that the latter are employed by the IBC, not the home university, and have no right to continuing employment at the home university. Even where international staff are employed by the IBC on exactly the same terms and conditions as the home university, another important difference is that they do not accrue pension entitlements since IBCs cannot belong to schemes like USS. International staff are generally regarded as permanent staff of the IBC and do not receive the full benefits packages enjoyed by seconded staff, although in some cases, they may receive schooling allowances or medical insurance.

Local staff are academic staff who are recruited locally on salaries and terms and conditions that are benchmarked on local market conditions (eg, the salaries paid in local private universities and colleges). The staff are employees of the IBC and have no employment rights at the home university. Generally, the local staff are paid considerably less than the seconded and international staff and have much less generous terms and conditions and no entitlement to other benefits. The logic is that these staff members live permanently in the location of the IBC, where they are entitled to use local medical services and public schools, so the IBC only needs to pay locally benchmarked salaries to compete effectively with local universities for staff.

The balance between seconded, international and local staff depends on a range of factors, primarily the availability of qualified academic staff in the local population. In countries where the rationale for establishing an IBC is primarily to absorb local

demand, because the domestic higher education system is underdeveloped in terms of both quality and capacity, it may be difficult to hire qualified staff locally. The same will be true in countries where English is not widely spoken. The IBC is forced to hire international staff or rely on secondees. One manager explained that ‘the HR approach we’ve got is ideally we would look to recruit locally. And there are a small number of occasions where we can’t recruit locally and we haven’t got anybody as a secondee in which case, by expectation, we go to the international market’ (Interviewee B). Another factor is the focus of the IBC. If it is primarily delivering undergraduate teaching, the IBC may be able to rely on local staff with masters’ degrees who have teaching-only contracts. If the IBC is delivering postgraduate qualifications and trying to develop a research culture, it may not be able to find sufficient numbers of local staff who hold doctoral qualifications.

Interestingly, while most IBCs have a mix of seconded, international and local academic staff, where the mix changes over time, some IBCs opt to have only seconded staff (normally just the most senior managers) and either local or international staff. In all cases, this is because the IBC has concluded that there is either an abundant supply of local staff or that there is such a dearth, the only choice is to recruit all their academics internationally and align pay and conditions with the home university.

From a manager’s perspective, there are a range of challenges of dealing with different groups of academic staff. The length of secondments varies considerable. As one manger explained, ‘the secondees vary from long-term secondments like myself...to the short-term flying faculty. We have quite a few who fly in to teach for two to three week periods’ (Interviewee G). Such short assignments mean that the staff often do not have enough time at the IBC to develop a deep cultural understanding. One manager complained that ‘we’ve had staff come over from the UK teaching on block release who simply didn’t fit in, simply didn’t really know how to teach and build up a rapport with the students’ (Interviewee L). Another frustrated manager said of her seconded colleagues, they ‘think they are really culturally aware and international, but their behaviour completely negates this belief. They touch people with their left hand, shake women's hands, treat [local] staff...as if they are stupid’ (Interviewee H). Even if the secondee is willing to invest time in developing local understanding, ‘the position of a

secondee is also strange. They [the continuing staff] know you are only here for a while, there is a limit to the trust they will put in you' (Interviewee N).

The generous benefits paid to longer-term secondees can lead to friction with the local staff. As one manager noted, 'I think there is probably a little bit of resentment from staff about secondees...[there is] sometimes a feeling that if anybody is white, that looks like he's on a secondment contract and it's not the case...So it's one of perception rather than actuality and I think that needs to be very carefully managed' (Interviewee C). On the other hand, the seconded staff have often had to make a careful economic decision, which can be undone by unforeseen changes in exchange rates and local legislation. As one manager explained, 'people had made decisions to go there for career reasons, but also they'd factored in economic reasons. Mostly their partners would have given up jobs. So it was an economic decision and the benefits package was very reasonable. But to have that kind of shift in salary [as a result of a fall in the value of sterling] and somebody saying, "oh, we never thought about that". There was a lot of HR learning on the job on the campus as far as I was concerned' (Interviewee A).

One of the key issues with international staff is that, unlike the seconded staff who normally work at the home university, the international staff are employed by the IBC alongside local staff, but on much better terms and conditions. One manager noted that the employment of some staff on an international contract 'creates a real tension...with those staff who are on local contracts, because the terms and conditions are significantly different' (Interviewee B). This is because they are essentially doing the same job as the local staff and living long-term in the country, but receiving a much more generous package. 'If you are on an [international] contract you get a housing allowance, you get flights home, you get your children's school fees...So not only have you got salary differentials, you've got benefit differentials' (Interviewee B).

Some managers reported that the international contracts felt discriminatory, with Europeans and North Americans being paid more than the local staff that they taught alongside, but others reported examples of foreign staff who had accepted local contracts, then subsequently discovered that compatriots were on more generous international contracts. One manager gave a specific example: 'we've got a British guy

who we recruited to an international contract who...gets UK terms and conditions, gets a housing allowance etc. And alongside him is another UK academic who joined on a local contract... Those two are doing the same job but with very different reward packages' (Interviewee B).

The staff on international contracts often compare themselves unfavourably with the seconded staff, envying their pension rights and housing benefits and wishing that they could also exercise the right to return to work in a more research-intensive environment on the home campus. One manager lamented that 'what we don't get [on international contracts] is the pension. We get one month per year severance... It's not as good as USS. It is contentious for the UK academics' (Interviewee L). Another explained the friction that arose from the fact that international staff 'get most of the things that the seconded staff would get but they wouldn't have the right to return. So they wouldn't have the right to work in [the home university]' (Interviewee A).

International staff are also exposed to the challenges of making a life in a foreign country in a way that seconded staff are not. One manager explained that for the international staff, they 'continually rent and certain things are an issue, particularly with families and even with kids. Sometimes they don't get the right schooling and some schools are shut...finding schools for kids, finding work for your spouses. That's also another issue. It's not as easy as it is in the UK finding jobs for your spouses...If your family and spouse aren't happy then you're not going to be happy in your work life' (Interviewee L).

One manager gave a flavour of the unforeseen challenges international staff often faced: the 'government don't recognise non-married partners. So we had an issue once with somebody who wanted to bring her boyfriend with her. He wasn't going to work, he was going to be dependent and we had a hell of a job getting a visa for him. We had to go to the High Commission and get an officially signed, sealed and stamped thing saying they were sort of life partners...[then there] was a problem with the medical insurance because if you weren't married you wouldn't be covered' (Interviewee A).

Finally, managing local staff raises a different set of issues and challenges for the managers of IBCs. Local staff can be employed on a raft of different contracts, both part-time and full-time, but invariably fixed-term (typically between nine months and three years). The use of part-time contracts causes a number of problems. ‘You face a lot of part-timers doing sessions...I think from the quality point of view, the student point of view, that’s wrong. They are not getting what they would get in the UK’ (Interviewee L). The problem at any university with part-time academic staff is that when they are not teaching, they are not on campus, because they have other jobs or family commitments. As a result, the pressure falls on the full-time staff to take a disproportionate burden in terms of administrative support and pastoral care. For some IBCs, however, there are additional complications. As one manager in the UAE notes, ‘part-timers can move very quickly to another institution, move abroad very quickly or leave. It’s a bit of insecurity for us, one of the biggest issues we face’ (Interviewee L).

For full-time local staff, ‘there is a lot of turnover’ (Interviewee K). This tends to be a result of the fixed-term contracts, less scope for career progression than at the home university and fewer opportunities to develop a research agenda. However, the dominant challenge for managers is the cultural divide. As one manager explained, ‘you get it [a cultural gap] in the UK but here it’s more pronounced because you are living within that culture. Whereas in the UK you’ve got a lot of international staff, but it’s immersed in the UK culture. Whereas here you are living in a different culture...[where] there is almost a large difference between power and distance. So you wouldn’t question your superior in any form. This is quite a different style of management’ (Interviewee C).

Sometimes the difference in cultural values and norms between the manager and local staff can lead to serious problems. One manager recalls ‘a serious case of a staff member...leaking the exam paper in advance. We dealt with her and fired her, but we only found this out because we caught a student cheating. He was looking at a PDF document on the iPhone. The student admitted he was sent it by the lecturer’ (Interviewee J). Another manager referred to a UK peer who ‘caused problems at the beginning. He yelled at [local staff] which is culturally very inappropriate’ (Interviewee H).

For any academic manager, dealing with academic staff is invariably his/her greatest challenge. For the manager of an IBC, these challenges are exacerbated by the mix of the staff base, with seconded, international and local staff not only all bringing different concerns and issues to their line managers, but some of the issues actually arising out of the interaction and cultural miscommunication between the three groups.

5.4.3. *Host country*

The managers interviewed identified two distinct actors within the host country with which they had to work: the host government and the host regulatory body (normally an arm's length agency which supervises private education operators). In the UAE and Malaysia, oversight of IBCs is split between the two, while China manages all aspects of higher education policy and regulation directly from the Ministry of Education.

With regard to the host government, most obviously the IBCs are affected by national policy, both education policy generally and policy towards IBCs specifically. Although a number of countries have made commitments to apply the General Agreement on Trade in Services (GATS) to higher education as part of the ongoing 'Doha round' of World Trade Organisation (WTO) negotiations, higher education remains highly regulated by national governments. In most countries, higher education is seen as a 'public good', so that the state generally seeks to ensure a level of consumption above that which the private sector would provide. Some countries achieve this goal through state-owned universities which provide higher education at either zero cost (Germany) or a subsidised cost (China). The alternative approach is to provide tuition subsidies either directly to universities which are independent of the state in ownership terms (as in the UK pre-2012) or indirectly, by giving students grants or loans to cover their tuition fees (United States). In many countries, there is a mix of all these approaches, with quasi-public universities receiving tuition subsidies and students getting income-contingent loans or grants to cover the balance of tuition costs (Australia and New Zealand). Apart from Scandinavia, most countries restrict tuition subsidised to their own nationals.

Set against this background, it is clear that IBCs can only operate in a host country with the consent of the host government and their scope to offer courses, enrol students and charge tuition fees will be subject to governmental control. In the three countries covered by this study, moreover, the degree of governmental involvement in the higher education sector is more direct and explicit than in the UK. As one manager explained, ‘one of the big differences, which I still have difficulty getting my friends at home to really comprehend, is universities here are not self-governing. This is something in British higher education we just take for granted. Here [in Malaysia] we are directly accountable to the Ministry of Education. For example, if we want to change our entry level requirement grades, we have to get their permission. If we want to change our fees, we have to get their permission. There are 48 different approvals we need. Every member of staff has to have a teaching permit’ (Interviewee F). In the UAE, the managers of IBCs often have to deal with the ruling family directly to bypass bureaucratic obstacles. One recalled the importance of maintaining a close personal relationship with a crown prince: our ‘relationship was good, so much so I have his mobile number. He has mine and we chat’ (Interviewee J).

A particular challenge is that government policy can change without warning, in ways which adversely impact the viability of an IBC. One example was the decision of the Chinese government to revoke approval of 246 Sino-foreign joint programmes in December 2014, amid official concerns about quality (Smith 214). Several managers commented on legislation being discussed in the UAE to make IBCs subject to the same rules regarding the terminal academic qualifications held by academic staff. One speculated ‘what might come, if the decree comes in the next 3-4 years? From a teaching point of view, if you’ve not got a doctorate, you cannot teach master’s in the Ministry of Higher Education [accredited universities]? Even from degrees point of view, you must have a master’s to teach undergraduates....There’s serious implications for [the IBC]. Then you’d be looking at a different type of person coming in here’ (Interviewee L). This is because the IBCs in UAE are teaching-intensive and generally rely on locally-hired staff without doctorates to reduce their cost base.

Quite apart from the degree of control by the host government, and the risk that the policy settings may change unexpectedly, there is the scale, speed and opacity of the

government bureaucracy. IBCs are not just subject to control by the Ministry of Education, they are also subject to legalisation on immigration (for both staff and students), employment rights, taxation and planning. One manager explained that to hire an academic, ‘you’ve got to seek their [the Ministry of Education’s] permission, so you have to send all the paperwork in for this person. They say, yes we find them acceptable. Without that you can’t apply for the first stage of immigration pass, the EP10. If you get your EP10, you get your DP11. When you get your DP11, that says Immigration is happy with the person. You then have to go back to the Ministry and fill in all the paperwork to get them registered and to get them licensed as a teacher...They only last for two years and then you’ve got to do the whole thing again’ (Interviewee F).

Apart from the host government, the managers of IBCs also have to deal with a number of host regulators. These include arm’s length agencies which stand between the Ministry of Education and the higher education institutions. Both the Dubai and Malaysia operate on this model, through the KHDA and MQA respectively. The main difference is that the KHDA regulates IBCs operating in free zones, while the MQA has oversight of all higher education institution in Malaysia. In contrast, China deals directly with IBCs via the Ministry of Education. In addition to the arm’s length agencies, IBCs may be subject to accreditation by local professional bodies in order for their graduates to join the local labour force. Examples include the Board of Engineers Malaysia (BEM) and the Malaysian Medical Council (MMC).

For IBCs, one of the balances that managers have to strike is the degree of customisation of the curriculum: too little, and the degree lacks relevance to the needs of the host country; too much, and the claim to be a UK university degree falls away. The regulatory bodies play a crucial role in constraining the choice of where to strike the balance. At one extreme, there is the requirement that the curriculum taught by the IBC must be exactly the same as at the home university. One manager said bluntly, ‘we are not permitted under the terms of our license to offer awards that we don’t offer in [the home university]. ...They [MQA] have been burnt by these sorts of things. They don’t want us to come in here and run some sort of Noddy qualification that we don’t offer to the students at home’ (Interviewee F). Another said, ‘we are licensed by the KHDA to operate here and they validate all our degrees. What they look at is they look

at equivalency. So what we have to show that what we are offering our students is an equivalent experience to that they get in [the home university]' (Interviewee K).

At the other extreme, the host regulator may have requirements which are completely alien and require significant changes to the curriculum. One manager explained the way that the Malaysian professional body impacted teaching and assessment: 'they've come out of the American system which is all about measuring your learning outcomes. The UK's not that developed in learning outcomes. ...We specify a learning outcome for our modules, but we don't have to measure them...Whereas in Malaysia you do need to measure your learning outcomes' (Interviewee C). China provides a starker example, with the Ministry of Education mandating a range of 'patriotic education' courses, including political economy, Chinese culture and physical education. IBCs generally meet these requirements by offering a foundation (pre-university) year which incorporates the mandated courses and making the foundation year a progression requirement for entry into year I. As a manager explained, 'the Student Affairs Office is a Party-run section of the University...It manages the teaching of the Chinese culture classes...I can't control or manage any of this' (Interviewee N).

Several managers stress both the difficulty of managing relations with the host regulators and the serious penalties of failing to satisfy them. Speaking about the difficulties of negotiating local regulations as an expatriate, one said, 'there are rules for everything. You've got to know which ones you can disregard and which ones you must stick to. You can only do that if you're local' (Interviewee A). Another was more forthright: 'you can't upset one of them. If you upset one of them, you are stuffed' (Interviewee G). One manager claimed that, 'they shut down [a UK university] from KHDA, they kicked them out because of the quality assurance. They were kicked out of Knowledge Village' (Interviewee L).

5.4.4. *Joint venture partner*

A common feature of all the IBCs studied was that managers spent a considerable amount of time on dealing with the joint venture partner. In all cases, the IBC is not technically an offshore campus of the home university, but a private educational company established and registered in another country, in which the home university

has an equity stake. As one interviewee put it, 'I would say that [the IBC] is not an international branch campus because we are not a branch campus of the [UK university]. It just so happens that [the UK university] has a stake in a Malaysian university.

In China, foreign universities are required to have a Chinese partner to establish an IBC under the Sino-foreign Cooperation in Running Schools Regulations 2003. Prior to the establishment of the Iskandar development corridor, Malaysia also required foreign IBCs to have a local partner. In the UAE, the IBCs studied all had local partners, but this is not required by law.

For the home university, a joint venture partner provides access to finance, so reducing the financial riskiness of the enterprise, and local expertise and social capital, making it easier to establish the IBC successfully. As one interviewee said of the local partner, 'we've got a big conglomerate up the road...with all the full extent of corporate services on hand that we can call on. We've got senior people in different bits of the organisation who we go to for advice and guidance. A whole set of things. So all of that is very positive' (Interviewee B). These demonstrable benefits come with a cost, namely a dilution of control over the running of the IBC.

Some of the IBCs are 100% owned by the home university and so, in a technical sense, do not have a joint venture partner. However, this could be seen as purely semantic. None of the IBCs has been financed and built by the home university. For those that do not have a technical joint venture partner, the campus has been built by the host government and then leased by the IBC. While the joint venture partner does not sit at the board table, there is nevertheless a clear partnership between the IBC and the government's development agency. In both Iskandar and Dubai, where this arrangement is common, the IBC leases its teaching and administrative buildings, but many of the support services (student accommodation, catering, sports facilities, etc) are provided by the developer, creating the need to manage the partnership carefully.

For the managers of the IBCs, the issues that they reported with the joint venture partners fall into three categories: the challenges of working with the senior

management of the partner; the misalignment of the objectives of the home university, the IBC and the partner; and problems stemming from the day-to-day involvement of the joint venture partner in running the business.

With regard to the senior management of the joint venture partner, some interviewees reported that the partner was fairly ‘hands-off’. ‘I think as long as the campus is successful — ie, making profits — they are quite happy for us to run it as we see fit’, observed one. Another, however, felt that the relationship with the partner’s management ‘is complicated because we are minority shareholders in the joint venture. So it’s not a partnership of equals’ (Interviewee B). Another complained, ‘from a governance point of view I think the issue is with the balance of power... this building isn’t owned by [the university]... Things like the library, all academics are concerned. It always comes up at staff-student liaison committees. It’s too small. It’s not the libraries you get in the UK. We always struggle with it’ (Interviewee L).

It is clear that the complexities of managing an IBC are increased considerably by having a complex ownership and governance structure, where the provost is accountable to a joint management board which includes senior representatives of the home university and one or more local joint venture partners. Juggling the interest of these stakeholders is particularly challenging for the managers of IBCs who have had little previous management experience within academia, *let alone* in a commercial environment.

In general, interviewees reported that relations with the management of the partner were smoothest where there was a clear division of labour between the home university and the partner(s). Speaking of a relatively harmonious relationship, one attributed it to ‘a clear demarcation, the [university] looked after all the academic stuff and was responsible for all of that. The company [partner] looked after finance and HR for the local staff, or the locally contracted staff’ (Interviewee A).

However, even with a ‘clear demarcation’, relations could be strained if the parties had different objectives. The IBCs are private companies and the local partners are for-profit, while the home universities are usually motivated by objectives like global reach

and reputation. One summarised the difference in outlook by recalling '[our vice-chancellor] would say "we're not a for-profit organisation. The MD [of the partner company] would say, but we're not a for-loss one as well' (Interviewee A). Another cautioned that partnerships go 'through a honeymoon, development, build the campus, but then they [the partners] start wanting a certain amount of, at least, control... to interfere academically in the sense they were pushing to get more backsides on seats and were pressing the university to lower its entry standards to fill the places' (Interviewee F).

Even where the partners are development partners, rather than equity shareholders, the misalignment of objectives can adversely affect the performance of the IBC. Referring to tensions with the development partner, one reported that 'we became bogged down fighting with the developers for infrastructure like buses, a fire station that was anywhere near the place, police services, ambulance services, street lighting, street signage' (Interviewee F). Another claimed that rent reviews by the landlord reached the 'stage where the university could have shut down because it was making such huge losses. Simply because of rents...the rent is extortionately high. And that's where it sucks into a lot of the contribution margin' (Interviewee L).

Even where relations between the partners in an IBC are good and objectives relatively aligned, the managers of some IBCs reported they experienced difficulties which stemmed from having to use the partner's services, typically where the joint venture partner controls activities like hiring and employing the local staff or running the student services. One interviewee explained: 'because we're a subsidiary legally, then the expectation is that we will follow group [the partner's] policies. So what's our policy on maternity leave? It's the same as group policy. It's all the HR stuff. What's our policy on depreciation? It's in line with group finance. Both of those are significant. So we can't take a view over what time period we can depreciate computer equipment because we need to follow the group policy' (Interviewee B).

This sometimes leads to unexpected outcomes. 'All the practices and policies were read across from their policies they used, it's a conglomerate', said one manager. 'One of the failures I had...was to try and introduce this concept of salary scales for people, annual

progression increments...We wanted to bring in a more UK-type system. But they [the partner's HR department] couldn't get their head around this at all. We had two or three goes at it but because the [staffing policies] are controlled by HR, we couldn't move without their agreement' (Interviewee A).

Another manager said 'we have an infrastructural partner...So what they do is the support services, like admin, marketing, buses, infrastructure and all those things, non-academic stuff, finance. It's not the same quality as what we expect in the UK. I think it's a huge issue for [academic] staff. A lot of the admin goes back to the academics. That's something we struggle all the time with' (Interviewee L). Discussing the IBC's reliance on student accommodation managed by the development partner, one complained: 'that's not owned by us, not built by us, not managed by us, not controlled by us, but there really isn't anywhere else for the students to live. They haven't delivered to capacity and their quality is appalling. They haven't delivered the services for the students. That's meant we've had to deliver here more and more' (Interviewee F).

5.4.5. *Home university*

All the interviewees reported issues with the relationship with the home university. One manager summarised it thus: 'when I started this it was clear to me that the biggest challenge would be the [local] context, cultural differences. I was completely wrong. I couldn't have been more wrong. The biggest challenge from day one has been the UK campus' (Interviewee G). The issues fall into three broad categories: relations with home university senior management, relations with peers at the home university and difficulties working with the practices and procedures on the home campus.

With respect to relationships with the senior managers at the home university, there was a range of experiences, with some interviewees receiving strong support 'from the top' and others feeling that they were 'kind of out of sight, out of mind...When you drill down into what the local staff consider to be issues, they are not really on the radar of the management in [the UK]' (Interviewee A). All the managers interviewed expressed a degree of frustration with the inevitable power imbalance between the senior

management on the home campus and the managers of the IBC. It's 'a perennial complaint of people at branch campuses that you know it's always the case you are always far more dependent on the home campus than they are on you' (Interviewee K).

In some cases, the remoteness of the home university's management team and their preoccupation with UK-based issues was compounded by a perception that their approach to developing their IBC was amateurish. One interviewee recalled that 'the VC went on a holiday to [the host country] and he got bored one afternoon...He touched base with [the provost of an IBC] to say, "I understand you are in [the host country], you've set up a British university in [the host country], any chance I can have a look around? I'm on a private holiday"'. [The provost] said "sure". So he went round [the IBC's] facility and he was very impressed. He came back ...saying, "we should be interested in an international campus"' (Interviewee J). Another complained 'the approach by VCs or senior management team has been sporadic...They obviously don't take real business decisions. This is where things go wrong, when they're not thought through' (Interviewee L).

There was a strong sense that the decision to develop an IBC is often 'very much driven by the VC' (Interviewee G). As this interviewee elaborated, 'he [the vice-chancellor] made the decision, we're going to do this. And he dragged the university along with him, probably kicking and screaming' (Interviewee G). Another said of the vice-chancellor's vision to build an IBC, 'people regarded him as either being mad or just ill-advised' (Interviewee B). This political and emotional investment of the university's senior leadership in the IBC creates a perceived vulnerability to a change of vice-chancellor. One noted that 'a new vice-chancellor came in, he was unsure about if this [the IBC] was a good idea, [he wanted to keep it] kind of below the radar, let's just suck it and see' (Interviewee G). Another speculated, 'I think the campus is close to my heart and the VC's heart, so it's still on the agenda because a couple of people at the top want it. I think if there's a change in VC...a new VC could come in and he or she may say, we don't want this' (Interviewee J).

A wide range of issues were reported in terms of relationships between the managers of the IBCs and academic colleagues at the home university, ranging from ignorance and

indifference at one extreme to outright hostility at the other. Lack of understanding by colleagues at home repeatedly highlighted: ‘a lot of people I spoke to at the home campus hadn’t got a clue what was going on here’ (Interviewee K). Several interviewees complained about key committees failing to remember to invite representatives of the IBC to attend meetings by Skype or scheduling committees at times which were impractical for IBC staff working in another time zone. Some felt the ignorance may unconsciously be fuelled by outdated stereotypes. One commented ‘I think sometimes people still think probably that [the host country] is still backward and we’re living in mud huts...I don’t think they’re aware of the size of the operation. And the sophistication of the operation’ (Interviewee C). One claimed that ‘there’s a lot of prejudice against [the host country] surprisingly’ (Interviewee G), while another argued that his colleagues in the UK ‘have this view that in an emerging nation, higher education is pretty low level’ (Interviewee F).

Sometimes this ignorance manifested itself in indifference to the IBC and a failure to cooperate on the part of UK staff. One explained: ‘in the day job of an academic, the international branch campus doesn’t mean much to them...An academic on the ground needs to liaise with an academic on the ground of the [foreign] campus. What’s in it for them?’ (Interviewee C). Another agreed, conceding that ‘in fairness to staff at the home campus, they have 101 things to do and [the IBC] is a very small part of that. It might not be prioritised immediately...but it is frustrating’ (Interviewee K).

Failure to take account of the IBC can lead the academics at the home campus to unwittingly make changes to courses which jeopardise the IBC’s relations with host regulators. In some host countries, for example, the syllabus and learning outcomes must remain identical to those of the home campus as a condition of local accreditation. Yet UK academics are accustomed to routinely revising and retitling modules, but at the IBC ‘we have to go back to the [host regulator] to get justification to change a module within a programme. Even if it’s just a tiny change. That’s something that we struggle with’ (Interviewee K). This also cuts both ways. Sometimes the IBC needs the curriculum to be changed on the home campus to allow the same change locally. ‘That causes conflict because you want things to change, but they [the colleagues at home] are not willing to change them’ (Interviewee C).

In some cases, however, the problems went beyond ignorance and indifference towards the IBC by UK staff to outright hostility. One interviewee reported a period of tension between academics in the UK and their counterparts at the IBC. 'They felt that they are supplying a lot of help and guidance to the lecturing staff [at the IBC] and not getting input from them. They were taking rather than contributing. So what started to happen is there was an element of mistrust that started to develop...the problem...between the academic teams...then filtered into the business teams. It's like anything else, the rumour mills started, the poison started spreading. The unions were against a campus that is costing too much...So you can see we were in a vicious circle' (Interviewee J). This suspicion and growing hostility manifested itself in second marking not being carried out on time by UK staff, examination boards being cancelled and some academic staff refusing to share course outlines and reading lists with their counterparts at the IBC. The situation was resolved by a senior management intervention, but highlights the risks of assuming that staff at the home university are naturally supportive of the IBC.

Relationships between the IBC and both senior management and academic colleagues at the home university, even if they are generally good, can be strained by the home campus using processes and policies which are not fit for purpose for the IBC. A number of the interviewees pointed out that UK universities are not multinational corporations, with HR and finance departments accustomed to moving staff and money across borders and national jurisdictions. One lamented 'the naiveté or lack of any real knowledge in the home campus' (Interviewee A) in terms of dealing with seconded staff, who were subject to local tax and employment legislation. Another explained the system used to pay seconded staff was mishandled: 'tax equalisation is the model of the university is adopted by the university. They didn't really understand it, they'd never done it before. It what a lot of the big players do... people who operate these global companies' (Interviewee F). Bemoaning the inability of the home finance department to comprehend arcane local rules on depreciation and auditing, one IBC manager concluded simply by saying 'we are a Malaysian organisation, we trade in Malaysian Ringgits' (Interviewee F). Another manager complained about 'entrenched views within professional services back in the UK' (Interviewee M). .

For the major functional departments like HR, finance, information systems and libraries, trying to apply policies designed for a UK campus to an IBC based in a different country, with a different language, culture and legal system, is potentially highly problematic. One striking example cited by the managers based in the Middle East is that teleconferencing software is illegal. One manager explained: ‘in the UAE, 80% of the population are transient, expats, and the ruling family have a big stake in the telecommunications business. They have made video conferencing illegal because it will impact on their business...If you try and download video conferencing software in the UAE, you’ll see it blocked. If you’ve already got it on your laptop, what they do is they monitor the usage...they pull the plug so you lose connection’ (Interviewee J).

China similarly routinely blocks service like Google and Outlook, disrupting communications between the home university and the IBC. ‘I’ve gone blue in the face trying to tell them [the home university] that FaceBook and YouTube is banned here’ (Interviewee N). In other cases, university policies are blocked by obstacles outside of the control of either the home or host country. The United States has banned its software companies from selling software which may have military applications in the Middle-East. This includes well-known engineering software which is core to the delivery of UK electronic and mechanical engineering curricula. ‘The poor business partner cannot buy the software and the academic here [in the UK] is saying all my learning notes are based on [the software]’ (Interviewee J).

It is not simply that the home university’s processes may not work in the context of the host country, the problem is also that the IBC is fundamentally a very different type of organisation, often being a private education company in which the university has a minority shareholding. One observed that ‘back in the UK academics or non-academic staff would think that it was our university. But it’s anything but our university. The majority was owned by private business. So we couldn’t just do what we liked’ (Interviewee A). ‘One thing they [home university accountants] aren’t used to is, we’re charities in the UK. So we don’t pay tax. We are not charities here. Withholding tax...transfer pricing. All of these things I didn’t know four years ago figure large in my life’ (Interviewee F). Another explained the culture shock of moving from a UK

public university to an IBC operating as a private company: ‘everything is fee pay. There’s no subsidies...There’s no grants even by government, no HECFE funding, nothing, it’s straight income. It can be very scary’ (Interviewee L).

5.4.6. Competitors

The managers interviewed identified a range of competitors to which they paid attention. These included UK universities, other third country universities and domestic competitors, which included both indigenous providers and other IBCs. With regard to UK universities, the generally lower tuition and living costs associated with studying at the IBC relative to the UK means that the IBCs are normally recruiting students from a different market segment, ‘a completely different strata of income or wealth that largely speaking wouldn’t have been able to afford to come to the UK’ (Interviewee A). In this sense, the IBCs are not competing head-on for students with UK universities.

As some IBCs begin to look further afield for international students, however, there is the risk that they may begin to compete for students who might otherwise have gone to the UK. One college in Sri Lanka, for example, which historically directed most of its students to the UK is now developing strong links with a UK IBC in Malaysia (Gateway College 2014). Moreover, most of the IBCs deliver the same or very similar curriculum at the IBC and in the UK, allowing students to transfer between the offshore and home campus. This creates the additional risk that the wealthier students may choose to complete their students at the UK, draining the IBC of a proportion of its final year students.

Most UK universities also operate a global network of articulation and progression agreements, under which students at a third institution can transfer to the UK university midway through their studies and enter the UK university with ‘advanced standing’ (ie, directly into the second or third year of an undergraduate degree). One interviewee explained that there were tensions between the home university and the IBC ‘around 2+2s that we run ourselves, but also 2+2s of our partners. And it’s where the students go. Do they go to [the IBC] or do they go to the [home university]? [...So] two...campuses compete for students from a given partner’ (Interviewee B). In this

sense, there is genuine competition between the IBC and the home university and this is growing. A 2014 report by HEFCE revealed that over 50% of the students from China and Malaysia who enrol in UK universities enter with advanced standing through some form of articulation progression agreement (HEFCE 2014).

Few of the interviewees mentioned competition from third country universities. The exception was the UAE, where decision whether to enrol in a local IBC or a foreign university is not made on the basis of cost or quality, but on the perceived risk of the family's breadwinner being made redundant. This is because the students at the IBCs, most of whom are of South Asian origin, are expatriates and their residency status is linked to the breadwinner's employment visa. As one interviewee explained: 'say the main breadwinner of the family was to lose his job...he has six weeks to leave the country. So all the family members who are there under the same visa would also have to leave...That risk, if you like, created another problem that people were saying, "I'm not going to commit myself to a three year course. I'd rather enrol my son or daughter in an Indian university because if I lose my job and go back to India they can carry on there"' (Interviewee J). In other words, the threat of competition from third country universities is not direct, but an artefact of the unusual visa regime which comes into force whenever an economic downturn (as in 2008-09) raises the probability of redundancy.

The primary source of competition comes from domestic universities and other IBCs. The former provide the more potent challenge. This group includes public universities which have a range of competitive advantages over the IBCs, some created by political fiat. For example, public universities in the UAE are well-resourced, only open to Emirati citizens and charge no tuition fees, so that almost no Emirati students choose to enrol in an IBC. Accordingly, the IBCs can only compete for the expatriate students who are excluded from public universities. In Malaysia, the public universities are heavily subsidised by the state. Tuition fees at the country's leading university, the University of Malaya, are typically in the region of MYR2,000 (£358) *per annum* (for academic session 2014/15). By rationing places for non-Bumiputra students in the pre-university matriculation system (completion of which is an essential prerequisite for entry to public universities), the competitive landscape in Malaysian higher education is

distorted on racial grounds (Guan 2005). In China, tuition fees for local students are also heavily subsidised, with entry to universities (including IBCs which are established as private Chinese universities) managed through a complex system of national entrance examinations (the ‘gao kao’) and provincial quotas. The importance of ‘guanxi’ (personalised networks of influence) means that the best students automatically aspire to enter the leading Chinese universities like Peking (colloquially ‘Beida’), Tsinghua and Fudan.

This combination of cost, access and prestige factors means that, as a generalisation, IBCs are competing for the students who cannot get into the major public universities. For such students, the choice is between lower status public universities, the domestic private universities and the IBCs. One interviewee noted: ‘Malaysia is a cut-throat competitive market. Not only are there government universities, which we cannot compete with. Out here we are private organisations in Malaysian terms, but there’s also 20 other private schools of variable quality. It is quite a cutthroat business’ (Interviewee F). On the other hand, in China and Malaysia, where the market is dominated by public and domestic private universities and colleges, the managers of IBCs reported a high degree of cooperation between each other. One noted that, to the extent the UK IBCs were in competition with each other, this tended to be for staff, ‘not just academics, but administrators as well’. Reflecting the generally collegial relations between UK IBCs, in both countries there are regular meetings to exchange information and to lobby government. In China, these were formalised in 2014 with the establishment of the Sino-Foreign Cooperative University Union, which brings together the six major IBCs in China (including UNNC and XJTLU) to liaise with the Chinese Ministry of Education (Sharma 2014).

In contrast, in the UAE where the IBCs compete directly with each other for the expatriate market, they see the other UK and Australian IBCs as competitive threats. One UAE interviewee noted that: ‘the competition is very high, very fierce. We’re running around going through the same applications. The same students are applying to three or four different universities [IBCs] and shopping around’ (Interviewee L). Another cited the main competitors, along with the other UK IBCs, as ‘Murdoch which is an Australian university. It’s very popular. Wollongong of course. They are the

main ones really. They are the big campuses in Dubai. If you move to Abu Dubai you've got NYU. But they are very different models. I don't see them as competitors. We can't compete with NYU' (Interviewee K). Significantly, major Indian IBCs like Amity University, Manipal University and BITS Pilani, were also seen as appealing to a very different demographic than the western IBCs, so not in direct competition.

5.4.7. *Students*

Although the UAE and Malaysia have aspirations to become education hubs, attracting students from neighbouring countries, to date the UK IBCs have predominantly served a domestic student market, albeit in the UAE one comprised of resident expatriates. The IBCs are beginning to internationalise, partly in response to the policies of their host governments and partly because they naturally attract students from third countries who cannot afford to study in the UK. The UAE and Malaysia also have the locational advantage for Moslem students of being Islamic states. 'If you are sat in Karachi or wherever and you want a UK degree, pretty much you used to go to the UK to get it. Or now you can go to Malaysia and get it and its half the price' (Interviewee B).

The interviewees reported a range of issues with students, which primarily related to the difficulties of teaching students with different learning styles and needs, as well as English language ability. Although they conceded that the same issues existed on UK campuses where there are large numbers of international students, there was a general feeling that these difficulties were exacerbated when students are being taught in their home countries. One observed: 'you are dealing with different student bodies, different students. Academics here who have taught in Australia, taught international students and they are teaching international students here, but they say the students are different. Completely different. Completely immature. We face the same problems with teaching. It's a problem in the UK, but it's huge here' (Interviewee L).

In China, one manager noted that the difficulty of engaging with students was increased because 'the wider student experience is controlled by the Party' (Interviewee N), explaining that the Party-run student affairs office managed all the mandatory Chinese culture courses, personal tutorials and student societies. The manager concluded, 'the

Chinese government is wanting to reinforce the teaching of Chinese ideology in HEIs, so we have to watch this space' (Interviewee N). In general, there was a feeling that, for a variety of reasons, the students needed greater support than in the UK, but that the IBCs were not sufficiently well-resourced to respond to this demand. 'We don't have the same facilities as the UK. No support mechanisms that you do get in the UK. That's a major problem. They need those resources for students who want to learn' (Interviewee L).

Several interviewees argued that the central challenge was to give students a UK-style education that led to the same learning outcomes as in the UK. This is difficult when the students and most of the staff are operating in a different cultural context. One summarised the problem in this way: 'if you go back to this power-distance index, students are at the bottom of the pile. So they won't expect to question an academic. And an academic won't expect a student to question them. Whereas what we want is to develop those soft skills where a student will question' (Interviewee C). The issue of how much to customise delivery and assessment to the different learning needs of students is clearly a major challenge for the managers of IBCs.

5.4.8. Curriculum

The difficulty of teaching students who share an alien culture and language links closely with issues related to the curriculum and, specifically, the extent to which the curriculum (broadly defined to include content, pedagogy and assessment) should be adapted to the local context. This adaptation could, in principle, include content (substituting modules on UK business law for local business law), methods of assessment (replacing traditional UK group assignments for individual assignments) and even the learning outcomes (changing the balance between demonstrating content knowledge *versus* critical thinking). All the interviews recognised the difficulty of striking a balance between being responsive to local needs on the one hand, while retaining the distinctive 'Britishness' of the qualification.

One interviewee gave an example of the need to customise content. 'In engineering, they teach about central heating as part of their curriculum. [Here] we teach how to

cool things down. In building, the buildings are differently constructed. In the UK environment, they have to be differently constructed. So there's a difference in civil engineering' (Interviewee L).

While all the managers interviewed understood the pressures to localise the curriculum, they cited three main barriers preventing adaptation: host regulatory agencies, the home university and local students. In the UAE, for example, the KDHA requires that the curriculum is the same as in the UK: 'outcomes have to be identified the same. Assessment has to be the same. They have to be identical. The actual content and teaching has to be equivalent, including things like access to resources, library resources and things' (Interviewee N). In Malaysia, another confirmed that 'we are not permitted under the terms of our license to offer awards that we don't offer in [the UK]... So this idea of [an IBC's] product becoming native, doing things that that they're not doing at home, we've got to be very careful' (Interviewee F).

The home universities, in general, were very resistant to localising the curriculum in the IBCs. One seconded manager noted that 'it's really incumbent on us to make sure that the standards are absolutely comparable' (Interviewee E). Another agreed that because 'we have the same programme degree specification, therefore in QAA terms it is the same degree' (Interviewee F). One manager revealed that the home university required the IBC lecturers to teach the courses using PowerPoint slides developed at the home university and would not allow them to change the slides in any way. 'One of the other major issues that is a problem is teaching and learning. It's to do with standardisation of courses... One of the problems is academic slides and delivering them in class. The major problem is, No.1 it's not your own slides' (Interviewee L).

The reluctance of the home university to allow the IBC to develop the curriculum stems from concerns over quality control. 'We all agreed the way we would control quality very much in the initial years, we would write all the assessments ourselves here [in the UK] and we would do all the marking here and we would help the local staff in the delivery by giving them some guidance' (Interviewee J). Another explained 'the exams get set in [the UK] and we follow the University of London model where the exam

papers get marked in [the UK]. So it's the least risk option...from a risk management point of view, it makes sense. We are in control' (Interviewee L).

Some of the managers believed that the local students themselves were a source of resistance to local adaptation. The IBCs market their degrees as UK qualifications, emphasising the fact that there are equivalent programmes on the home campus and using the scope for students to take part of their degree in the UK to evidence the equivalency. 'The students want to be global' (Interviewee N). Several commented that their market position depended critically on being seen by students as an integral part of the UK university, noting that as an IBC they enjoyed the reputational benefit of the home university's global league table ranking, whereas as a private university 'if we were based in the UK, we'd be like London Met, we'd be way down the league' (Interviewee L). 'It makes a huge difference if you see the UK staff here...It is not amorphous, you can see touch, feel. That is what the expat students are looking for' (Interviewee I). This resistance to localisation extends beyond the curriculum to assessment and grading: 'I think a lot of the international students like to feel the fact that the British academics are running the exams boards here because they are getting a British degree' (Interviewee J).

5.4.9. Research

In general, research has a relatively lower profile in the IBCs than the home universities, because the primary function of the former is for-profit teaching. The staff base of the IBCs tends to comprise seconded staff, whose research is often interrupted while they are based in the IBC, and locally-hired staff, who often have lower academic qualifications than their counterparts in the UK. This is one of the main ways of keeping down the cost base, which is necessarily otherwise inflated relative to local competitors by the use of seconded and flying faculty from the UK. Commenting on the teaching loads, one manager said there is 'very high contact time. We're talking about teaching 42 weeks of the year. Class contact, well for example, it could be 20 hours a week' (Interviewee E). Another noted that 'I'm writing a promotions policy and I'm basing it on [the home university policy]. I have to change it slightly as far as research is concerned because our staff, although they don't have the opportunities to do

research as they do in the UK, we also have a lot of requirements of them to do things, to be involved in things on campus' (Interviewee K).

However, some of the more mature IBCs are beginning to develop a research culture. The lack of research support was the most widely cited obstacle to improving research productivity. One manager recalled that 'we had a professor join last year and she is a "4x4" [four research outputs ranked at 4* in the Research Excellence Framework]...She struggled because she hasn't got PhD students and she lacks the infrastructure of support around her. She's on her own, she's very much a lone researcher. That's a problem for her. Even the grants are not available' (Interviewee L). In addition to relatively high teaching loads and the absence of research support offices and grant capture teams, the higher costs of sending staff to conferences was cited as an important factor, because the most prestigious academic conferences tend to be in Europe and North America.

Some managers, however, stressed the potential for using IBCs as a base to build research centres that focus on policy issues of local or regional concern, thereby attracting research grants from the host government. Claiming that 'none of the branch campuses have made research a cornerstone of their build up, but we have, we've done that from day one', one manager explained that the IBC was developing research links with local universities to create a centre of excellence in maritime engineering. Another outlined plans to develop research centres in areas like tropical agriculture, pointing out that they have recruited an international expert 'who studies elephants in Malaysia, the location-specific advantages are quite real' (Interviewee B). UNNC has been particularly successful in attracting funding from the Chinese and Ningbo governments to establish research centres in areas like sustainable energy technologies and comparative cultural studies. In principle, and notwithstanding the need to manage the cost base in a competitive market, the locations of research could create a differential advantage for an IBC.

5.4.10. Self-determination

In addition to these nine broad themes that emerged from the analysis of the data, there was a tenth cluster of responses that might be designated as ‘self-determination’. This is a strong sense of growing separateness of identity, which is an outcome of all of the other issues combining. Put simply, when relatively inexperienced managers are sent to lead IBCs, which employ local staff, deal with host governments and regulators, have to satisfy local joint venture partners, become frustrated with the home university’s management and processes and increasingly yearn to customise their teaching and research to meet local needs, there is a natural tendency for the managers and their senior colleagues to seek greater autonomy.

The most generally used metaphor to describe an IBC was a ‘child’, with the home university playing the role of ‘mother’. IBCs that are maturing were often described as ‘unruly teenagers’, chaffing at maternal discipline. It was generally felt that the risk of the unruly teenagers growing into independent adults will ‘depend on how rigidly they stick to seconding people into senior posts. There’s a big advantage to doing that, but of course you’re fishing in a very small pool, as opposed to advertising internationally. If you look at people [in the home university], which people would you trust to do it? You’re not beating them all off with a stick. People for their own reasons, family reasons, whatever, are not in a position to go, don’t want to go, might want to concentrate on their research’ (Interviewee C).

There was also recognition that, in China and Malaysia, the pressure for greater self-determination does not just result from a growing sense of confidence and local identity on the part of the IBC’s managers and staff, it might be actively encouraged by the host governments. Unlike the UAE, where only one IBC has broken away from the KHDA accreditation to be recognised by the Federal Ministry of Education as an autonomous private university (University of Wollongong in Dubai), all the IBCs in Malaysia and China are established as private Malaysian companies. At the present time, the home universities are having to develop place special arrangements to maintain the appearance of an integrated branch campus. As one manager explained, ‘the MQA in Malaysia wanted us to be an autonomous organisation. So we had to come up with

some statements of duality which satisfied everything' (Interviewee A). In other words, the IBC's branding, the issuing of home university degree certificates, even the architecture on campus, is designed to signal to students that the IBC is a genuine branch of the home university and not, as it is in actuality, a private education company.

5.5. Conclusions

This chapter has analysed the results of 14 semi-structured interviews with the senior managers of IBCs in the UAE, Malaysia and China. Through a process of axial coding, the qualitative data was assigned to 35 separate codes, which were then rationalised into ten broad clusters. These clusters represented the sets of issues which most preoccupied the managers. There are a number of striking findings. One is the sheer diversity of the organisational forms of the IBCs, with many being registered as private education companies in which the UK university is, in fact, a minority shareholder. Another is the fact that many of the senior managers of the IBCs are relatively inexperienced, both in terms of prior management jobs held on the home campus and prior international work experience. Frustration with both senior managers and academic colleagues emerges as a common problem for all IBC managers. Managerial inexperience is particularly risky given the challenges of managing a private company in an alien legislative and cultural environment, while balancing the often conflicting demands of host regulators, the joint venture partner and the home university. In relation to the three research questions, the results can be summarised as follows.

The ten clusters actually represent three conceptually different things. The first group of clusters are the dimensions of the IBC that managers feel under pressure to localise. The second group are the stakeholders which exert the pressure, to a greater or lesser extent to localise each of the dimensions. And the third group are the characteristics of the managers themselves, which influence the way that they respond to the demands of the different stakeholders. These distinctions are critical to understanding the way that the analysis answers the three research questions. Consider each in turn.

5.5.1. What are the key aspects of the IBC that managers feel under pressure to localise?

In terms of the global integration (I) – local responsiveness (R) paradigm, the set of clusters that represent dimensions of the IBC that the managers felt, to a greater or lesser degree, pressure to make adaptations to respond to local needs are:

- Staff
- Curriculum
- Research

5.5.2. What are the main factors which influence their chosen degree of localisation for each factor?

The set of clusters that influence the chosen degree of localisation are the stakeholders which exert the pressure for greater or lesser adaptation, namely:

- Host country
- Joint Venture Partner
- Home university
- Competitors
- Students

5.5.3. How do these factors, and so the optimal degree of localisation, change over time?

The stakeholders also affect the way that the chosen degree of localisation changes over time. It is useful, however, to distinguish between external and internal stakeholders.

The clusters that represent the external stakeholders are:

- Host country
- Competitors
- Students

Of these, the most important external stakeholders are the host government and regulator. Many of the choices about localisation are driven or constrained by host accreditation bodies. In the UAE, IBCs accredited by KHDA are required to follow the same curriculum, leading to the same named awards, as offered by the home university.

In China, IBCs must teach a range of Chinese cultural courses to gain accreditation by the Ministry of Education. In the UAE, IBCs registered with the Federal Ministry of Education, as opposed to the KHDA, must offer four year degrees. Host governments and regulators have political agendas, which may change over time, impacting on the extent to which IBCs can, or cannot localise their staff base, curriculum and research.

There are two clusters of internal stakeholders:

- Joint Venture Partner
- Home university

These can also take policy decisions, usually relating to a change of leadership, that impact the degree of localisation of the IBC. The best-known example of an IBC being abruptly closed is that of UNSW Asia, which was closed in 2007 within months of a new vice-chancellor taking office. However, the results also suggest a dynamic at work, with the relative power of the joint venture partner growing as the IBC matures and the home university tending to become more relaxed about delegating authority to the IBC's managers as trust is built up. This dynamic is mediated through a final set of clusters, namely the senior managers themselves:

- Career
- Self-determination

As the IBCs mature from start-up to steady-state, the management positions tend to become more secure and more embedded with the organisational structure of the home university. At the same time, the organisational culture within the IBC tends to develop a more distinct and separate identity from that of the home university.

The implications of these results are developed more fully in the following chapter.

6. DISCUSSION

6.1. Introduction

This chapter discusses the implications of the results of the exploratory investigation into the challenges of managing an international branch campus for the global integration (I) – local responsiveness (R) paradigm. The I-R paradigm frames the central challenge to an IBC manager in terms of finding the optimal trade-off between global integration (*in extremis*, operating as a clone of the home university in the host country) and local responsiveness. There are three central research questions:

1. What are the key dimensions of the IBC that managers feel under pressure to localise?
2. What are the main factors which influence their chosen degree of localisation for each dimension?
3. How do these factors, and so the optimal degree of localisation, change over time?

Analysis of the interview data confirms that the three dimensions postulated by Shams and Huisman (2012), namely staff, curriculum (broadly defined to embrace pedagogy and assessment, as well as content) and research, are the key dimensions of the IBC that the managers feel, to a greater or lesser extent, pressurised to make adaptations in response to local needs. Shams and Huisman (2012) argue that neither extreme integration nor extreme localisation is likely to be viable in practice. If the IBC is simply a ‘clone’ of the home university, sending out seconded staff to deliver a standardised curriculum and maintaining a research programme linked back to the home base, it risks being seen as ‘academically imperialistic’ or ‘neo-colonialist’ (Nguyen *et al* 2009). More importantly in terms of its viability, except in a very high income country like Qatar, the ‘clone IBC’ would have such a high cost base relative to local rivals that it would be uncompetitive.

If, on the other hand, it hires local staff to develop locally relevant curricula and pursue a research agenda driven by local concerns, the perceived bonds between the IBC and the home university may weaken to the point that the IBC loses legitimacy (and so brand value) in the eyes of potential students and employers. Describing some IBCs as ‘hollow shells’, Sumatra Dutt of INSEAD warns that ‘it is not easy to fool the local population who know it [the IBC] is not the same as the real university’ (Sharma 2010).

Shams and Huisman (2012) conclude ‘it is - based on the available literature - not possible to determine what the best strategy would be, apart from the fact that we argued that the extreme positions would seriously increase the vulnerability and harm the sustainability of the operation’ (p.119).

The interview data suggest that there are five main clusters of stakeholder that influence the chosen degree of localisation, identified as the host country (government, regulators and employers), the joint venture partner (broadly defined), the home university (management, processes and staff), competitors and students (of the IBC). These groups of stakeholders have different, potentially conflicting, objectives, sometimes in relation to those of the IBC managers (eg, the joint venture partner wanting to minimise cost and extract profit) and sometimes in relation to each other (eg, the host government wanting to treat the IBC as an autonomous private university and the home university wanting to maintain control over the branding, curriculum and quality control). These results hint at the challenge for the IBC managers, whose choices about localisation (local responsiveness) will depend on the relative power of stakeholders with divergent goals.

The results of the analysis also suggest that the optimal degree of localisation chosen by IBC managers will change over time, because both the objectives and the relative power of the stakeholders will not remain constant. For the external stakeholders (host country, competitors and students), their objectives may shift quite quickly, for example, because a new government changes the legal framework within which IBCs operate or reshapes the competitive landscape by investing in its own public higher education sector or opening up the market to greater competition from private institutions. For the internal stakeholders (joint venture partners and the home

university), their objectives may also shift over time, as new leaders are appointed or changes in strategic direction are ordered by governing councils. For the internal stakeholders, however, there is also a dynamic at work, with both relative power and trust evolving over time in ways which, in general, may tend to result in a tendency to greater localisation.

This chapter explores the relationship between the choice of trade-off on the I-R spectrum for each of the three dimensions (staff, curriculum and research) and the stakeholder groups, by recasting it in terms of their conflicting objectives and the perceived costs and benefits of localisation.

6.2. The costs and benefits of localisation

The I-R paradigm provides a valuable conceptual framework within which to analyse the choices made about the localisation of an IBC. If, as the interview data suggest, the three main variables which can be localised are staff, the curriculum (defined to include content, pedagogy and assessment) and research, then the position chosen along each of these three I-R dimensions will depend on the objectives and relative power of the main stakeholders. The difficulty in operationalizing this model as a strategic tool is that each of the stakeholders may have different objectives, which are differently framed, so that there is no common ‘unit of account’ with which to calibrate the relative demands of each. For example, if the host government wants the IBCs to behave as private universities subject to the control of the Ministry of Education, the home university wants the IBCs to operate as a geographically separate but otherwise integral part of the home university and students want a UK degree but with content and assessment adjusted for their learning styles, it is unclear how the manager of the IBC should respond to these competing demands in terms of customising the curriculum.

One way of recasting this paradigm is to try and understand the costs and benefits of localisation for an IBC. The I-R paradigm is grounded in the international strategy literature and the concept of ‘glocalisation’ (global localisation). The implicit trade-off as a standardised (globally integrated) product is localised is (higher) cost *versus*

(increased) demand. Producing a standardised product or service on a global scale (eg, an iPad or iPhone) minimises cost by exploiting economies of scale and experience. Customising the product for a specific national market raises production costs, but increases demand within this national market because customers' needs are better met. Conceptually, there will be an optimal point of localisation, where the marginal cost of an additional unit just equals the marginal benefit (revenue) of an extra sale.

6.2.1. Costs and benefits of localising staff

The localisation of staff at an IBC reveals that a different trade-off is at work. In this case, from the perspective of the IBC manager, the trade-off is between the cost base of the IBC and the extent to which it can faithfully replicate the academic culture of the home university. If the IBC were staffed wholly by seconded staff on, say, two to three year contracts, it would be relatively easy to transplant the academic culture and processes from the home university and make the IBC a clone. As Franklin and Alzouebi (2014) argue, 'international branch campuses have utilized the message "that everything is the same" to support their growth and development' and academic staff are at the heart of the reproducing the academic culture in the IBC.

The cost of its academic staff base would, however, be so inflated relative to local rivals that it would need to charge tuition fees that were uncompetitive in the local market. The University of Waterloo provides a stark example of this dilemma. It opened a campus in Dubai in 2009 using only seconded staff, charging the same tuition as at the Canadian campus, and closed in 2012 after recruiting only 140 students (Bradshaw 2012).

At the other extreme, if the IBC were wholly staffed by locally-hired academics, it could minimise its cost base, but other than seconded managers (who could, in principle, also be replaced by local managers), the staff would have limited first-hand knowledge of, and institutional loyalty to, the home university. There is a risk that the IBC would develop an academic and organisational culture that was quite unlike the home university and resulted in the students having an experience that was

fundamentally different from that enjoyed by students in the UK, undermining the proposition that students were earning a UK university degree.

While there is not a common unit of account (eg, money), as in the case of a multinational corporation choosing the optimal degree of localisation, making explicit the trade-off for an IBC manager considering the localisation of his/her staff base is useful because it helps to frame the competing objectives of the different stakeholders. In principle, the trade-offs for the other two dimensions of an IBC can be derived in a similar way.

6.2.2. Costs and benefits of localising the curriculum

Consider the curriculum, broadly defined to include content, pedagogy, assessment and internal quality assurance. Here the trade-off of localisation is equivalence *versus* relevance. Where the IBC delivers a standardised curriculum, with identical assessments and examinations that are marked (or moderated) by examiners at the home university, there is demonstrable equivalence between the learning outcomes of the same programme at the IBC and the home university. A student with a BSc Economics (upper second class honours) from the IBC can justifiably claim to hold a degree from the home university which is equivalent to his/her counterpart who has earned the same qualification at the UK campus. This is the model which the University of London International Programmes have used since 1858, where the teaching materials and assessments are the same for every student, wherever they study for a London external degree around the world.

The difficulty with complete equivalence is that there is no allowance for the local context within which the IBC operates, or the different learning styles of students. Some academic content may be completely unsuited to local needs (Egege and Kutieleh 2009); eg, courses on UK law may be incomprehensible to students living in a country governed by Sharia law. Engineers in hot, dry countries need to learn different techniques and models from UK students operating in a cold, wet climate. Some assessment regimes, for example, focus on group work and critical thinking, and may unfairly disadvantage students from some cultural backgrounds, where scholarship is

associated with the individual mastery of complex theories and texts (Bodycott and Walker 2000, Heffernan *et al* 2010). Localisation improves the relevance of the IBC course to students and employers, but at the cost of reducing the demonstrable equivalence. *In extremis*, a degree redesigned for local needs by the IBC may be regarded not just as different, but also inferior, to the UK degree (Castle and Kelly 2004, Craft 2004). The most common criticism of IBCs is that they fail ‘to offer a curriculum and institutional culture that is consistent with what is present at the main campuses’ (Wilkins *et al* 2012, p.543).

6.2.3. *Costs and benefits of localising research*

With regard to research, the trade-off has parallels with that of the curriculum. As long as academic staff at the IBC engage in research aligned to the agendas of the home university, publishing in international peer-reviewed journals, they maximise their prospects of performing well in national research audits and lay the foundations for a successful academic career. It is well-documented that the leading academic journals (in terms of citations) are in North America and Europe and that they are characterised by publishing papers in English which align with the research concerns of their home regions. Man *et al* (2004), for example, showed that the papers published in the leading medical journals are disproportionately written by native English speakers and focus on subject matter which is prioritised by the research funding bodies of the wealthiest countries. There is a vicious circle at work, with the developed countries with the highest research impact (eg, measured by citations per paper) setting the global research agendas and hosting and editing the leading journals (King 2004). Success as an academic depends, in turn, upon publishing in these international peer-reviewed journals (Starbuck 2005).

Localising research involves a trade-off of international reputation *versus* local impact. As staff refocus their research on issues of importance to the host country, their ability to publish the outcome of their studies in the leading journals is, as a general rule, degraded. It is likely to be much harder to place a paper on employee absenteeism in Malaysia in, say, *Organization Science*, than a similar study of absenteeism in US corporations. Smith *et al* (2014) found evidence of multiple biases by journals against

researchers based in developing countries, which resulted in them tending to publish in lower tier journals. More importantly, many studies of relevance to developing countries may find no market at all in Western-centric academic journals. A study by Horton (2003) reported the ‘widespread systematic bias in medical journals against diseases that dominate the least-developed regions of the world’ (p.712). Altbach (2007) similarly laments the dominance of English as the language of science, arguing that it has established a global community ‘at the cost of other national languages and research topics of national importance’ (p.3608).

On the other hand, as research is localised, it strengthens the perceived legitimacy of the IBC in the eyes of the host government and opens up new sources of local funding. For example, the International Finance Research Centre at UNNC is a joint venture which was established in 2008 as part of a ‘Strategic Cooperation Agreement’ between UNNC, the Ningbo Municipal Government and the China Academy of Social Sciences. The Centre has a number of research teams which also involve Ningbo Financial Affairs Office, Ningbo University, Zhejiang University and other Chinese institutions, enabling it to bid for Chinese research grants and undertake research projects ‘with Ningbo characteristics’ (University of Nottingham Ningbo n.d.). Xi’an Jiaotong Liverpool University (XJTLU) has successfully won research grants from Chinese funding bodies, including the Humanities and Social Science Program of the Ministry of Economy and the Suzhou Science and Technology Planning Program (Xi’an Jiaotong Liverpool University n.d.). The Crops for the Future Research Centre (CFFRC) in Malaysia was established as a joint venture between the University of Nottingham Malaysia Campus (UNMC) and the Malaysian government in 2011 to carry out research into underutilised crops and improve agricultural biodiversity (University of Nottingham Malaysia n.d.).

6.2.4. The trade-offs of localisation

Table 20 summarises the nature of the trade-offs for the three dimensions. An IBC which consistently chooses a low degree of localisation gains the benefit of a UK academic culture, demonstrable academic equivalency of its qualifications and the academic reputation associated with its staff publishing in international journals. These benefits are bought at the cost of offering an education which is likely to be too

expensive for local students, especially in relation to its competitors, delivering a syllabus which is unsuited to the needs of students and employers and undertaking research that is disconnected from societal needs in the host country.

Table 20: The localisation trade-off

Low Localisation	Degree of localisation	High Local Localisation
Academic Culture	Staff	Local Affordability
Academic Equivalence	Curriculum	Local Relevance
Academic Reputation	Research	Local Impact

6.3. The localisation trade-off from a stakeholder perspective

With this insight, the next stage is to explore the extent to which it is possible to generalise about the objectives and relative power of the main stakeholders and the way that this may drive the managers of the IBC to greater or lesser localisation along each dimension.

6.3.1. *Host country*

The host country, broadly defined to include the host government, host regulator(s) and host country employers, is arguably the dominant cluster of external stakeholders. Most obviously, the host government can use its legislative power to set the terms and conditions under which the home university is able to establish and operate an IBC. It may require, as in China and Malaysia (until the development of the Iskandar corridor), the IBC to have a local, majority joint venture partner. It may, either directly through the Ministry of Education or indirectly through an arm's-length regulator, exercise control over tuition fees and enrolment quotas.

While host governments have multiple objectives for allowing foreign universities to establish branch campuses within their territory, these objectives can arguably be boiled down to one overarching aim, namely to build the *capacity* of their national higher

education system; that is, the quantity and quality of provision. In the UAE, this is because the government needs to find a way of providing higher education to a large expatriate population who would otherwise send their children abroad for study, draining the country of foreign exchange and skilled labour which might not return after graduation. In Malaysia and China, building capacity means not just absorbing local excess demand, it also holds out the prospect of strengthening the quality of public universities through a ‘demonstration effect’ and, in the case of Malaysia, may also help attract more international students to the country.

In terms of staffing at the IBC, meeting the objective of building capacity is most obviously met by a high degree of localisation for two reasons. The first is that localisation reduces the cost of tuition and makes studying at the IBC accessible to a wider group of students. The second is that localisation involves hiring and training indigenous academic staff, adding to the pool of academic talent from which local universities can benefit in the future.

The picture is more complicated for the localisation of the curriculum. While the host government clearly has an incentive in ensuring that the curriculum is relevant to the needs of its citizens, requiring the teaching of cultural courses and physical education in China for example, the objective of capacity building requires the IBCs to bring new pedagogies and teaching methods from their home universities. Host governments and regulators are also acutely aware that the qualifications of the home universities are tightly regulated by the UK’s Quality Assurance Agency (QAA) and that, if the curriculum at the IBC begins to diverge significantly from the home campus, the regulatory burden of oversight will fall more heavily on the host Ministry of Education and its agencies. In the UAE, complete equivalence between the courses taught at the IBC and the home campus is required to mitigate this risk.

Finally, the host government self-evidently has an interest in the IBC localising its research agenda, to address the needs of the host country. As noted above, both the Malaysian and Chinese governments fund research in the IBCs, actively encouraging academic staff to bid for grants. Major employers and local governments have also entered into agreements with IBCs to financially support research of direct interest to

the country; most notably, the Centre for Sustainable Energy Technologies (CSET) at the University of Nottingham Ningbo Campus (UNNC) is a joint initiative between the University of Nottingham, the Zhejiang provincial government and local donors, set up to address China's growing demand for energy and reduce the environmental impact of energy consumption.

Table 21: The localisation trade-off from the host country perspective

Dimension	Degree of localisation
Staff	High
Curriculum	Low
Research	High

6.3.2. Competitors

Competitors are a fundamentally different type of external stakeholder from the cluster represented by the host country. Competitors are stakeholders in the sense that they affect, and are affected by, the actions of the IBC, but unlike the host government, they have no direct control over the IBC. In terms of the way they impact the localisation of the IBC, the primary transmission mechanism is by competing for students. Public universities typically have a major cost advantage over IBCs, insofar as their tuition fees are publicly subsidised. Private universities also have a cost advantage, since their entire cost base is localised and they do not rely on seconded staff and flying faculty to supplement their labour force.

This suggests that the presence of competition will tend to force the IBC towards localising staff, in order to minimise staff costs and make tuition fees competitive. With regard to the other two dimensions, the pressure is in the opposite direction. This is because the competitive advantage of IBCs *vis-à-vis* local competitors is that they offer a high-quality UK education, developed (and at least partially taught) by academics with a strong international research pedigree. The IBCs trade on the promise of being part of a UK university and the UK 'branding' is critical to their commercial success. If they try to localise their curriculum and research so that they look and feel more like the

local private universities, their ability to compete effectively for students is fundamentally weakened.

Table 22: The localisation trade-off from the competitor perspective

Dimension	Degree of localisation
Staff	High
Curriculum	Low
Research	Low

6.3.3. Students

Students and competitors are closely linked, in the sense that an IBC's students can also choose to go a local public or private university or travel overseas to study. The institutional image and reputation of the home university is a critical factor in influencing a student's decision to study at an IBC instead of a local competitor (Nguyen and LeBlanc 2001, Wilkins and Huisman 2013). Students choose IBCs in a competitive higher education landscape because they are attracted by the UK's reputation for quality and by the idea of studying at a well-known UK university without having to leave their home country.

The interview results showed that managers believe that students expect to be taught, at least part of the time, by UK staff. There is a widespread view that students expect the senior staff (provosts, vice-provosts, deans and possibly heads of department) to be British. In Malaysia, and to a lesser extent in the UAE and China, there was also a reluctant admission that, reflecting the UK's imperial/colonial past, some local students complain about being taught by locally-hired staff because they believe them to be less able than seconded UK staff. All the IBCs went to great lengths to ensure that induction programmes, examination boards and graduation ceremonies were well-supported by UK-based staff, to reassure students of the 'Britishness' of their education.

Demands from students who have selected IBCs on the basis that they are branches of UK universities limit the extent to which the managers of the IBCs can localise staff.

Students also tend to be resistant to the curriculum being adapted to reflect local conditions and learning styles, even though they would be the major beneficiaries. They are very concerned that the degrees they earn are seen to be equivalent to the degrees of the home university and tend to be suspicious of adaptations which might dilute the perceived integrity of the qualifications. To the extent that students have a view about research, it is that the quality and focus should be the same as in the UK, to bolster the perception that they are studying at the campus of a high-quality UK university.

Table 23: The localisation trade-off from the student perspective

Dimension	Degree of localisation
Staff	Moderate
Curriculum	Low
Research	Low

6.3.4. *Joint venture partner*

The joint venture partners are of two broad types. One is the conventional joint venture partner, which takes an equity stake in the IBC along with the home university and, usually, provides a range of commercial services as well as being a source of funds. For example, joint venture partners often build the campuses of the IBC and may directly employ administrative and support staff (eg, security, cleaners, caterers, and gardeners) and even the locally-hired academic staff. The second type of joint venture partner (taking a broad definition of ‘partner’) is the development partner, which builds and operates the campus, while the home university leases the land and buildings. Although the development partner does not have an equity stake in the IBC, and so cannot directly influence decision-making at board level, the operational relationship can be as close, and as challenging, as with an equity partner. Many of the key activities of the IBC (eg, accommodation, catering, security, project management) are controlled by the development partner.

Joint venture partners of whichever type are commercially orientated. Generally, this manifests itself in the IBC managers being pressurised to reduce costs, either directly through the joint venture board or indirectly by the need to cover the costs of the lease and remain competitive in the market. This will tend to drive the IBC towards localising staff to the greatest extent possible. This localisation can, *in extremis*, mutate into casualisation, as the joint venture partners are typically accustomed to hiring staff on part-time or fixed-term contracts and investing little in their professional development. This tends to have two opposite implications for the localisation of the curriculum and research. Relying on locally-hired staff on part-time and fixed-term contracts tends to militate against the localisation of the curriculum, since the local staff are less likely to have the technical expertise and personal motivation to spend time on adapting and developing the curriculum. The joint venture partners are often content for the staff to passively transmit the home university's curriculum to students. The staff are, on the other hand, unlikely to develop research agendas at all and, to the extent that they do, their research will be self-directed and highly localised.

Table 24: The localisation trade-off from the joint venture partner perspective

Dimension	Degree of localisation
Staff	High
Curriculum	Low
Research	High

6.3.5. Home university

The home university cluster embraces a range of internal stakeholders, which include the senior management (including the council or board of governors), academic and administrative staff and the university's processes and regulations. While the primary objective of the senior management is that the IBC should enhance the university's reputation and positioning as a global institution, a strong secondary objective is that the IBC should not be seen to be losing money for the university. In an era where UK undergraduates pay £9,000 tuition fees and both the National Union of Students (NUS)

and the University and College Union (UCU) regularly use Freedom of Information (FOI) Act requests to probe for evidence of financial mismanagement, senior management teams are wary of cross-subsidising loss-making offshore ventures. The University of Central Lancashire was embarrassed in 2014 by a UCU report claiming that it had invested, and lost, £3m in a failed Thai IBC, with questions over the financial performance and probity of its Cypriot and Sri Lankan campuses (UCU 2014).

In relation to the localisation of staff, financial considerations would tend to encourage the home university to press for greater use of locally-hired staff, since seconding academic staff from the home campus is the most expensive option. It means that, not only does the IBC have to pay the seconded staff a full UK salary (including employer's contributions to the superannuation scheme), but there is also an additional package to cover local accommodation, children's schooling, medical insurance and regular flights back to the UK. On the other hand, the home university management recognises the importance of having seconded staff, loyal to the home university and familiar with its policies and processes, to maintain operational control of the IBC and ensure the quality of teaching and research. This tends to result in a significant degree of localisation, where the junior staff mostly locally-recruited and only the senior staff are seconded.

With regard to the curriculum, there is an array of forces in the home university that tend to press for a very low degree of localisation of the curriculum. In part, there is an institutional fear of losing control of quality and being embarrassed by a QAA audit. But there are also a range of institutional factors, which include the way that course and module leaders in the UK negatively regard attempts to adapt the curriculum in the IBC, systems and processes like course review, the moderation of assessments and the management of examination boards and external examiners which all tend to prevent staff at the IBC from customising content and delivery. At some universities, even the PowerPoint slides that lecturers at the IBC use to teach students are prepared and sent to them by module leaders in the UK.

Finally, while welcoming research funding from host governments and seeking to present research undertaken at the IBC as relevant to the needs of the host country, the systems and processes of the home university effectively discourage staff from

engaging in local research. This is because the seconded staff are only based at the IBC for a limited period and know that they will return to the UK, where their subsequent career progression will be judged by their research productivity and, specifically, by their publications in leading international peer-reviewed journals. They have no incentive to engage in local research which may be difficult or impossible to publish in mainstream Western journals. For the locally-hired staff, their aspiration is to make their career in higher education and they invariably follow the example of the seconded staff, seeking to publish ‘international’ research.

Table 25: The localisation trade-off from the home university perspective

Dimension	Degree of localisation
Staff	Moderate
Curriculum	Low
Research	Low

6.4. The optimal degree of localisation from a stakeholder perspective

The perspectives on the preferred degree of localisation of staff, curriculum and research from the five stakeholder clusters are brought together in Table 26 (key: red is low, orange is moderate, green is high localisation). Without making any judgement on the relative power of the different stakeholder groups, it is immediately apparent from the discussion above that a significant degree of localisation of the staff is required to satisfy all the stakeholders. Indeed, one conclusion might be that the optimal degree of localisation of staff occurs where the proportion of seconded staff is driven down to the lowest point which still manages to satisfy the students that they are getting a UK experience and to assure the home university that they still have control of the IBC. In practice, this may be as low as a single secondee — the provost — supported by flying staff from the UK at key times of the year (eg, enrolment, examination boards, graduation).

Table 26 shows that the alignment of preferences in relation to the curriculum is even more stark, with none of the stakeholders having a preference for any significant adaptation of the curriculum which moves it out of alignment with the home university. This is a relatively striking finding, given that the interview data was gathered in host countries with very different legal, cultural and political environments from the UK (eg, two Islamic countries, one country ruled by a royal family, another by the Communist Party). Yet there seems to be a general consensus that to adapt the curriculum in a way which either destroys the demonstrable equivalence of standard with the UK degree or fundamentally moves away from the pedagogy and teaching style associated with UK universities, would fatally damage the appeal of the IBC to host governments and students, while undermining its market position *vis-à-vis* domestic competitors.

Finally, the picture in relation to research is the only one that is mixed. The host country clearly has an interest in the IBC focusing on research which is of national relevance, while the joint venture partners have little interest in supporting research at all (as it raises operating costs without contributing to the core business of teaching); to the extent that the latter tolerates research, it is likely to be limited to research which can be undertaken locally at little or no cost. On the other hand, the IBC needs staff to focus on research of international standing, partly to set it apart from the local competition in the eyes of its students, but also because its organisational culture and processes are geared towards incentivising and rewarding publications in major international journals. In the case of research, research is created by individual academics, not mandated by host governments, and undoubtedly the self-interest of the academics trumps all other considerations. For this reason, there is unlikely to be a strong tendency to localise research in practice, unless issues of national interest to the host government (like sustainable energy in China) happen to align with the preoccupations of the global academic community. In this instance, research is not really being localised, but rather funding from the host government is being accepted to allow staff to pursue international research. This is certainly the case in UNNC.

Table 26: Preferred degree of localisation by stakeholder

	Staff	Curriculum	Research
Host country			
Competitors			
Students			
Joint Venture Partner			
Home University			

Analysis of the stakeholder clusters and their preferred degree of localisation helpfully moves the I-R paradigm from being a conceptual framework within which to think about how the conflicting objectives of external and internal stakeholders are balanced by IBC managers to a being a more strategic management tool. Figure 12 reintroduces the diagrammatic representation of the I-R paradigm. In principle, depending on the objectives of external and internal stakeholders and the relative balance of power between them, the optimal degree of localisation of staff, curriculum and research could result in an IBC with any triangular shape: eg, no localised staff, a fully localised curriculum and partially localised research. While some permutations are more plausible than others (eg, highly localised staff teaching a localised curriculum), the model itself is silent on the likely outcome of the interaction between the various stakeholders and the IBC managers.

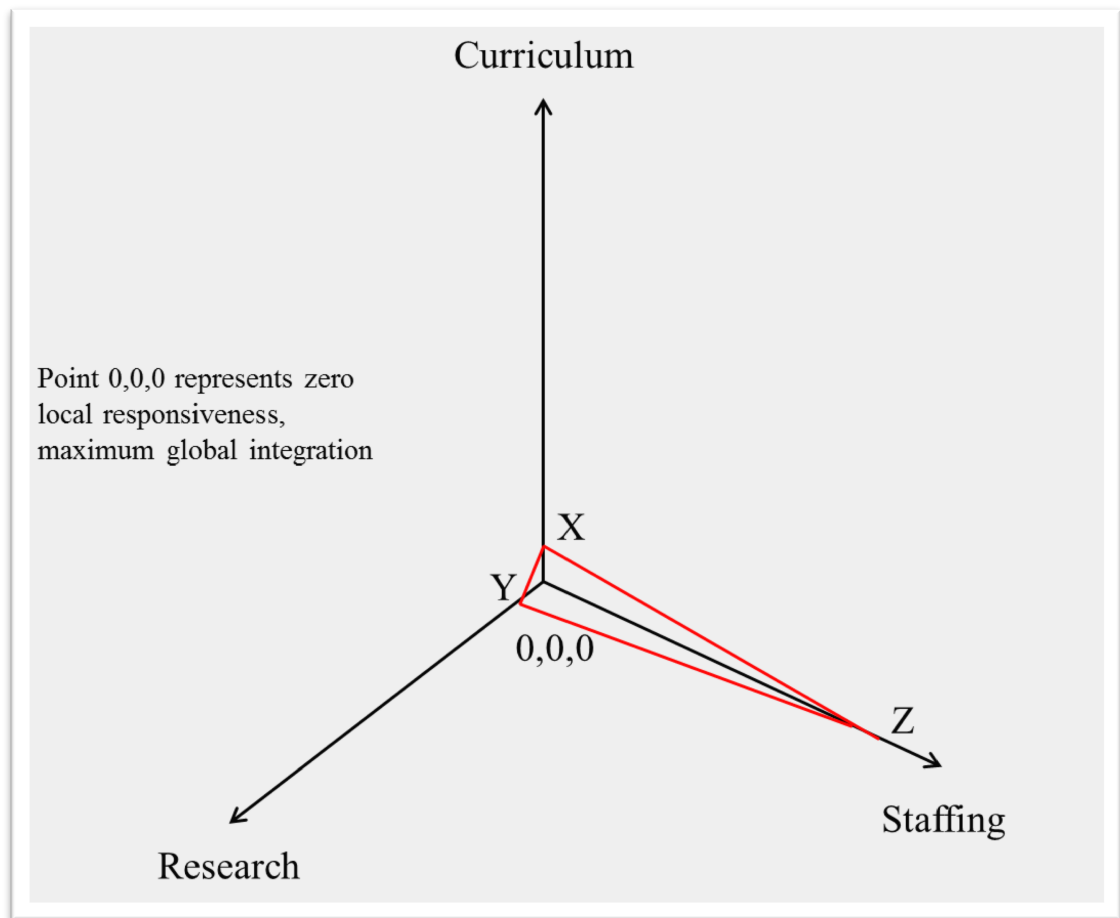
However, the analysis above argues that, while there will undoubtedly differences which reflect the stakeholders and their interests, IBCs will tend to be characterised by a relatively high degree of localisation of the staff base, but relatively low degrees of localisation of the curriculum and research. In other words, rather than being *any* triangular shape, IBCs will tend to be narrow isosceles triangles with the only

significant movement towards localisation being in the staff base, largely driven by the competitive need to minimise operating costs.

It is notable that in the nine case studies, which comprise the majority of all UK IBCs currently operating around the world, eight had very high degrees of localisation of staff. In two cases, the localisation was 100% with provosts who were locally-hired and, although they reported to senior managers in the UK on a regular basis, they had a considerable amount of operational autonomy. Not one IBC had more than a few handfuls of seconded staff and some were actively seeking to reduce their dependence on these individuals by finding locally-hired replacements. In one case, localising the staff base included hiring academics internationally, on terms and conditions which were more generous than paid to employees in competitor universities, but this was justified as expediency because qualified applicants were not available locally.

Similarly, none of the managers in the IBC case studies reported any serious attempt to customise or adapt the curriculum, citing resistance from all the major stakeholders. Most agreed that it was the equivalence of the qualifications with those at the home university which was key to their competitive advantage. Finally, while there was occasional reference to research being redirected to deal with issues of relevance to the host country, deeper inspection of the research programmes which were being funded by the host government revealed that they all played to international research agendas like climate change and environmental sustainability.

Figure 12: The I-R paradigm and an international branch campus



Adapted from Shams and Huisman (2012)

6.5. The optimal degree of localisation over time

It is evident that, if there is a significant change in the objectives of one or more of the key stakeholders, this could lead to a change in the optimal degree of localisation for one or more of the three dimensions. For example, if the home university, as happened in one of the case studies, decided as a matter of policy that there would be a single set of teaching materials to support all its degrees, whether they were taught in the UK or at an IBC, this would suddenly shift the localisation of the curriculum close to the origin in Figure 12 above. Similarly, the host government could decide, as a matter of public policy, that all teaching staff at an IBC had to be national citizens or hold doctoral qualifications awarded by local universities. Because shifts in the objectives of university leaders and host government often depend on changes of personnel (eg, new

vice-chancellors being appointed, new governments being elected or appointed), they are necessarily impossible to predict in advance.

However, there is one aspect of the optimisation process and the way that it might change the optimal localisation of staff, curriculum and research over time which stems from an in-built dynamic. This is the relationship between the two internal stakeholders, the home university management and the joint venture partner, and the IBC manager. Analysis of the interview data shows that in the early years of an IBC, bearing in mind that most of the case studies are less than ten years old, the managers tended to be appointed with little prior managerial or international experience. This is because the positions are highly unattractive to managers who are on a career track to more senior positions. They are insecure – the IBC might fail and damage the postholder's subsequent career prospects. The IBCs are tiny – managing a new IBC will hardly enhance the postholder's credentials to become a dean or vice-chancellor in the UK. They are a long way from friends, family and research networks – socially and professionally, the postholder faces isolation and possibly, as one interviewee put it, 'career suicide'.

As a consequence, managing an IBC tends to appeal to individuals who either have little to lose because they are in the final stages of their career (indeed, some of the managers technically retired from their UK posts before taking up their appointments at the IBC) or because they are restless and looking for a change. Their inexperience and, in some cases admitted naïveté, means that the home university management is likely to keep them under close scrutiny and control during the start-up phase. At the same time, the managers' ability to impose their will on the joint venture partner may also be limited, as they may have never operated in a commercial setting and they are trying to come to grips with constructing a campus and hiring a workforce in an alien country where the partner has all the local knowledge and connections.

As the IBC matures, however, the senior management roles at the IBC begin to appear within the home university's organisational chart. The university's HR department starts to plan succession, identifying and training potential provosts and senior staff for the IBC in a way which makes the posts appealing to ambitious managers. The growing

importance of the IBC to the home university, both in terms of the scale of the operation and the reputational risks should it be mismanaged, means that selection and recruitment becomes competitive and rigorous, rather than the *ad hoc* arrangements which characterise the ‘shoulder-tapping’ of the start-up managers. And with the greater confidence in the managers being seconded to the IBC comes a higher level of trust and a greater willingness on the part of the home university management to delegate authority and operational control to the managers.

With regard to the joint venture partner, the growing stature of the role of the seconded manager at the IBC and the growing organisational knowledge within the university means that the IBC managers can also increasingly engage and challenge their counterparts within the joint venture partner. Rather than being dependent on the joint venture partner for guidance on everything from employment legislation to tax accounting, the IBC managers and their senior teams can interact with their joint venture partners more as peers. This gradual growth in the seniority and confidence of the IBC managers was quite apparent in the interview data. It manifested itself in a variety of ways, including frustration with the home university management for failing to understand local conditions at the IBC.

The critical question is whether this understandable dynamic, with the IBC managers steadily becoming more confident and assertive, tends to change the optimal degree of localisation as a consequence. The analysis above has already demonstrated that, for sound competitive reasons, all successful IBCs have tended to move relatively quickly to a high degree of localisation of the staff base. It is plausible that, over time, growing confidence in the IBC manager on the part of the home university management might lead them to allow a greater degree of staff localisation than they would otherwise countenance. But, in fact, the older, more mature IBCs did not seem to exhibit a lower proportion of seconded staff than those which were half their age. For the reasons outlined above, there is strong resistance from staff to localising their research agendas, unless local research aligns with a strong international theme like environmental sustainability or topics which may appeal to international peer-reviewed journals because of the growing importance of the host country (eg, Chinese management).

This leaves the curriculum and there was evidence from the interview data that there is a tendency in the more mature IBCs for the managers to want to develop curricula that appeal more directly to their local market. Some researchers, notably Edwards *et al* (2014) have documented the growing pressure from maturing IBCs for greater autonomy and ‘academic freedom’, that is ‘the opportunity for academic staff to have input into program design and delivery’ (p.181). This resonates with the discourse amongst the IBC managers interviewed, who frequently used the mother-child metaphor and equated growing self-confidence in a maturing IBC with a child becoming an ‘unruly teenager’.

Another widely used metaphor in the literature is to view IBCs as colonial outposts of an imperial power. This image also suggests that as the colonies become more developed and self-confident, they will yearn for greater autonomy and, ultimately, self-determination. Healey (2014b) draws on the examples of the Universities of Peradeniya (Sri Lanka), West Indies and Zimbabwe, which were all established as quasi-IBCs of the University of London, offering external degrees which were examined and awarded by the University of London. All have subsequently become autonomous national universities. Closer to home, the Universities of Leicester, Nottingham and Southampton were all once subordinate colleges of the University of London.

While the manager may become more confident and assertive as the IBC matures and begins to develop its own organisational culture and identity, it is important to focus on the dynamic at work. In the start-up phase, the IBC managers are often inexperienced or at the end of their career. They may feel somewhat isolated from the home university management and, understandably, tend to identify more closely with staff and students at the IBC. As the IBC matures, the posts of provost or vice-provost increasingly become seen as part of the promotions process, with competitive recruitment and selection exercises and the prospect of even more senior roles at the end of the secondment. Because the senior management roles in IBCs are invariably held by secondees on fixed term contracts, it may actually be that over time, the postholders actually identify more, rather than less, with the goals of the home university, since their performance in-role affects their future career prospects at home.

Moreover, all the managers interviewed recognised the importance of maintaining the UK academic culture and identity and ensuring demonstrable equivalence with UK degrees. To the extent that they felt more empowered to localise the curriculum in response to local needs as the IBC develops, the localisation that was observed tended to be in the form of new degrees that were aimed at the local market (eg, oil and gas engineering in the UAE), rather than changing module content within existing degrees or adapting assessment and examination regimes. Significantly, however, in every case this localisation did not occur by the IBC developing and validating a degree of its own; rather the IBC managers worked with the relevant academic departments in the home university to design the programme and validate it in the UK, so that it could be taught at the IBC as well, thereby ensuring continuing equivalency. In some of the examples given, the degree would typically recruit more students at the IBC than the same degree would attract in the UK, in one case by a large magnitude, but the principle of equivalency was generally held to remain enormously important.

This tendency for localisation of the curriculum to take place throughout the university in order to maintain degree equivalence is also evident in Australian IBCs. For example, McBurnie and Pollock (2000) report that at Monash University, the first Australian university to set up an IBC, '[t]he internationalization of the learning experience for all students is enhanced when new curricula developed in response to the local needs and priorities of the international campus are integrated into courses taught across the university. For example, modules in Malaysian and Islamic studies developed for students at the Malaysia campus can be offered to students based in Australia' (p.335). Interestingly, in terms of the I-R paradigm, this development does not show up as increasing localisation, since the curricula of the home university and the IBC remain perfectly aligned. It is as if McDonalds changed the meat in a Big Mac from beef to lamb, so that it could increase sales in India without having a product range in India which was different to the rest of the world.

Perhaps rather than seeing the growing maturity of the IBC as leading to greater localisation of the curriculum at the IBC, it could be argued that it leads to greater globalisation of the curriculum at the home university. The idea of the IBC extending the global reach of the university by exposing academics to new ideas which can be fed

back to the home base was frequently mentioned by the managers interviewed. Establishing an IBC effectively gives a university a new source of valuable market intelligence about trends in student demand and product innovation in other parts of the world, which inevitably finds its way into curriculum planning at the home campus. As many of the interviewees noted, having an IBC changes the home university. It makes it more open to the outside world, so that curriculum adaptation may be accelerated, although without disturbing the apparent localisation of the curriculum in the I-R paradigm.

6.6. Conclusions

The results of the exploratory study suggest that managers seek to localise the staff, curriculum and research of their IBC in order to balance the competing demands of external and internal stakeholders, with the main external stakeholders being the host country (defined to include the host government and regulatory agencies), competitors and students and the main internal stakeholders being the joint venture partner (broadly defined) and the home university. The chosen position along the global integration (I) – local responsiveness (R) spectrum for staff, curriculum and research will depend upon the objectives and relative power of the stakeholders, which themselves will vary over time. Occasionally, there will be discontinuities, for example, when there is a change of host government or leadership at the home university. There is also an underlying dynamic, which changes relationships between the managers and the internal stakeholders as the IBC matures.

The I-R paradigm provide a useful conceptual framework for thinking about the challenges facing the manager of an IBC, but provides little insight *per se* into where the optimal degree of localisation will be for a given IBC and how this may change over time. This chapter has sought to understand the costs and benefits of localisation along the staff, curriculum and research dimensions, as perceived by the manager. These are academic culture – local affordability (staff), academic equivalence – local relevance (curriculum) and academic reputation – local impact (research). By analysing the attitudes of the main stakeholders (as reported by managers) to these costs and benefits,

it is argued that there is, in fact, a strong alignment of the stakeholders in favour of a high degree of localisation for staff and a low degree of localisation for the curriculum. In practice, the IBC case studies all appear to be consistent with this analysis, with highly localised staff and a much standardised curriculum.

It is only the research dimension where the stakeholders have divergent interests, with the home university, competitors and students tending to encourage the IBC to focus on international research themes and the host government (and to a limited extent, the joint venture partner) having an interest in the IBC focusing on local research topics. The host government can influence the degree of localisation by funding research in the IBC, but the evidence suggests that this will be most successful where there is an alignment of national and international research interests (eg, as in the case of China, where the government has financially supported research on sustainable energy) or the local topics are of international interest (eg, Chinese management).

Finally, this chapter has shown that there is a natural tendency for the managers to become more confident and assertive as the IBC matures and this tends to encourage them to be more willing to localise the curriculum. However, the countervailing force is that, as the IBCs mature, the managers who are seconded from the home university tend to be on a career track to more senior posts at home, in contrast to managers in the start-up phase who are often doing the job 'for fun' or at the end of their careers. The former are more acutely aware of the need 'to be corporate' and are less likely 'to go native'.

Significantly, to the extent that managers do respond to opportunities in the host market by innovating curriculum development, the overarching acceptance of the need for academic equivalence means that this does not actually manifest itself as localisation, where localisation means that the standardised curriculum of the home university has been adapted or modified to meet local demand. In the cases studied, the curriculum development was at the home university, so that the IBC could offer new degrees or modules for the host market which were also offered in the UK. This means that, although the curriculum is changing over time to meet local needs, it is not becoming differentiated from the UK curriculum, so in terms of the I-R spectrum, it remains globally integrated.

7. CONCLUSION

7.1. Summary of the key findings

The review of the literature in Chapter 3 revealed the fragmented nature of research in higher education research, where the dominance of exploratory research methodologies in new and emerging areas of study means there is no orthodox theoretical framework within which IBCs are problematized. Atheoretical approaches dominate higher education research, partly due to the importance of the 'grey literature' in this field with much of the research being aimed at a practitioner audience rather than academic scholars.

The review of the literature on the management of IBCs reveals that managers are faced with a range of challenges, which primarily stem from dealing with key stakeholder groups: students, staff, home and host country quality regulators, the home university and the host government, as well as the IBC's local joint venture partners. The ease with which the managers can balance their competing interests depends, *inter alia*, on the motivations of the home university for establishing the IBC, the regulatory environment in the host country and the cultural and linguistic distance between the home and host countries.

The global integration (I) – local responsiveness (R) paradigm, derived from the international business literature, provides a tractable theoretical framework within which to organise the challenges facing the managers of IBCs. This approach frames the central challenge to an IBC manager in terms of the optimal trade-off between global integration (*in extremis*, operating a clone of the home university in the host country) and local responsiveness. There may be, in principle, a number of different aspects of the IBC for which the manager may choose the optimal trade-off.

This literature review shaped the three research questions to be addressed in this study:

1. What are the key dimensions of the IBC that managers feel under pressure to localise?
2. What are the main factors which influence their chosen degree of localisation for each dimension?
3. How do these factors, and so the optimal degree of localisation, change over time?

The study uses an exploratory research design to answer these research questions, choosing critical realism as the most appropriate conceptual framework. The paucity of research to date reflects the recent emergence of IBCs as a form of transnational education, the current small-scale of this activity and the difficulties of obtaining access to managers. These difficulties are exacerbated by the commercial secrecy surrounding IBCs, the seniority of the managers and the geographical distances involved. The study involved 14 semi-structured interviews over a period of six months with the senior managers of nine IBCs in the UAE, Malaysia and China. With two exceptions, the interviews took place at the IBC in the managers' own offices and were complemented by campus tours and the gathering of background information on the IBC and the host country.

There are a number of general findings. One is the sheer diversity of the organisational forms of the IBCs, with many being registered as private education companies in which the UK university is, in fact, a minority shareholder. Another is the fact that many of the senior managers of the IBCs are relatively inexperienced, both in terms of prior management jobs held on the home campus and previous international work experience. Managerial inexperience is particularly risky given the challenges of managing what is, in effect, a private company in an alien legislative and cultural environment, at the same time as having to balance the conflicting demands of host regulators, the joint venture partner and the home university. In relation to the three research questions, the results can be summarised as follows.

The results of the exploratory study suggest that managers seek to localise the staff, curriculum (broadly defined to embrace content, pedagogy, assessment and internal quality assurance) and research of their IBCs in order to balance the competing demands of external and internal stakeholders, with the main external stakeholders being the host country (defined to include the host government and regulatory agencies), competitors and students and the main internal stakeholders being the joint venture partner (broadly defined) and the home university. The chosen position along the global integration (I) – local responsiveness (R) spectrum for staff, curriculum and research will depend upon the objectives and relative power of the stakeholders, which themselves will vary over time. There is also an underlying dynamic, which changes the relationships between the managers and the internal stakeholders as the IBC matures.

An analysis of the costs and benefits of localisation along the staff, curriculum and research dimensions suggests that the ends of each spectrum are, respectively, academic culture – local affordability (staff), academic equivalence – local relevance (curriculum) and academic reputation – local impact (research). There is likely to be a strong alignment of the stakeholders in favour of a high degree of localisation of staff and a low degree of localisation of the curriculum. It is only the research dimension where the stakeholders have divergent interests, with the home university, competitors and students tending to encourage the IBC to focus on international research themes and the host government (and to a limited extent, the joint venture partner) having an interest in the IBC focusing on local research topics.

Finally, there is a natural tendency for the managers to become more confident and assertive as the IBC matures and this tends to encourage them to be more inclined to localise the curriculum. However, the countervailing force is that, as the IBCs mature, the managers who are seconded from the home university tend to be on a career track to more senior posts at home, in contrast to managers in the start-up phase who are often doing the job ‘for fun’ or at the end of their careers. The former are more acutely aware of the need ‘to be corporate’. It also appears that, to the extent that managers do respond to opportunities in the host market by innovating curriculum development, the overarching acceptance of the need for academic equivalence means that this does not

normally manifest itself as localisation; instead, the curriculum development tends to be at the home university, so that the IBC can offer new degrees or modules for the host market which were also offered in the UK. This means that, although the curriculum is changing over time to meet local needs, it is not becoming differentiated from the UK curriculum, so in terms of the I-R spectrum it remains globally integrated.

7.2. The implications of the study's findings

There are two primary justifications for undertaking this research. The first is that establishing an IBC is a highly risky venture for the home university, with the potential to cause significant reputational and financial damage if it fails. There is relatively little research on the challenges faced by the key actors, namely the senior managers of the IBCs, particularly understanding these challenges from their lived experience. The results of this study provide insight into the practical difficulties they face and the ways that the home university might better prepare for and support the development of a new IBC. The second is that research on IBCs has been largely atheoretical and this research provides a way of extending the I-R paradigm, so that it becomes a more tractable framework for analysing the way that internal and stakeholders exert pressure on the IBC managers to localise the staff, curriculum and research.

7.2.1. *Implications for higher education management*

This focus of this study is on the challenges of managing an IBC, as perceived by the IBC managers themselves. This is because, in contrast to a multinational corporation (MNC), the management systems of a UK university are hugely underdeveloped in terms of controlling a small IBC thousands of kilometres away. At the same time, there are other powerful stakeholders in the host country and it is the IBC manager *in situ* who has to balance these competing demands.

Given the centrality of the role of the IBC manager, the most striking finding of practical importance is that the IBC managers, especially in the start-up phase, tend to have little prior senior management or international experience. They are often invited, rather than selected, to take on the role and they are typically motivated by the challenge

of working in a new venture overseas rather than seeing the job as part of their career progression. Some of the IBC managers are actually at the end of their careers and take on the jobs with a sense that they have nothing to lose if the IBC fails. Appointing inexperienced managers is likely to increase the riskiness of a new IBC, since the managers may lack the skills to make good choices and may be insufficiently risk-averse.

In the more mature IBCs, the roles of provost and vice-provost tend to be part of the internal university career structure and this risk is reduced. There is a strong argument for universities to be much more considered in their appointment of IBC managers, even at the very outset. Advertising a provost position at a new IBC for a clearly defined term and with a more senior position at the home campus on completion would attract a deeper pool of applicants from those on a management career track. Ensuring that the managers are then adequately trained and given continuing mentorship from the home university would further minimise the probability of a new IBC manager being out of his/her depth or 'going native'.

It is also clear that the regular rotation of IBC managers and other seconded staff is critical to creating and sustaining a culture of organisational identity with the home university. The less frequently the pool of seconded staff is refreshed with colleagues steeped in the home university culture, the more liable the IBC is to develop its own sense of identity and a distinct set of collective values and beliefs. The rotation of seconded staff and the use of flying faculty also help to improve understanding of the IBC amongst staff at the home university and counter the widespread perception of IBC managers that their UK colleagues are either ignorant of, or unsympathetic to, the issues they face.

More generally, this study finds that UK universities are deficient in the way they approach the development of IBCs in two fundamental ways. First, there is a widespread view held by the managers of the IBCs that the senior staff at the home university sometimes take key strategic decisions in an amateurish and unbusinesslike way. The IBCs often appear to be the personal 'vanity' projects of a vice-chancellor, rather than a carefully considered and evidence-based business proposition. The non-

trivial number of IBCs that have failed, including UNSW Asia (Singapore), George Mason University (Ras al-Khaimah) and University of Waterloo (Dubai), suggests that this is not a uniquely UK failing. The financial structuring of many IBCs, which are set up as jointly-owned subsidiaries in which the local joint venture partner puts up part of the capital and the subsidiary borrows the balance on its own account, limits the financial exposure of the home university. It is possible that this may encourage the governance bodies (university councils and boards of governors) to be less forensic in their analysis of the business cases than they might otherwise be.

The risks of establishing an IBC on the basis of a weak business case are not just that it is more likely to fail, but also that if it is the creature of a powerful university leader, it is more easily disavowed by his/her successor. UNSW Asia, for example, was established by Mark Wainwright during his tenure as vice-chancellor (2004-06). It opened in March 2007 and, two months later, the new vice-chancellor, Fred Hilmer, announced that it would close at the end of the semester, citing disappointingly low enrolments as the reason. Unlike Wainwright who was a lifelong academic scientist, Hilmer had spent most of his career in professional business prior to joining UNSW, including 19 years with McKinsey & Company (University of New South Wales n.d.). It was, presumably, not just that he had greater commercial acumen than his predecessor, but that the IBC in Singapore was so associated with his predecessor that Hilmer could put it to the sword with little loss of internal political capital.

The second fundamental deficiency is that UK universities generally lack the technical expertise in their professional services departments to effectively manage the development of an IBC in a remote and alien location. MNCs have developed sophisticated human resource management, project management and finance functions to enable them to manage geographically disbursed subsidiaries. Globalisation is fundamental to their business model and they employ highly professional technocrats to discharge these responsibilities. UK universities, in contrast, have historically been conservative, inward-looking bureaucracies, with arcane governance structures and professional services shaped by decades of passively receiving government grants and reporting their activities to agencies like HEFCE. As noted in the introduction, the majority of UK universities (the former polytechnics and colleges of higher education)

were, until 1992, part of the local education authority and their cultures remain heavily influenced by their public sector background.

As a result, the capacity of UK universities to support the development of IBCs (offshore private sector subsidiaries) thousands of kilometres away is severely limited. Many of the issues faced by MNCs, like transfer pricing, double taxation and the international rotation of staff, are completely unknown territory to the HR and finance managers of UK universities. To compound matters, IBCs are minor operations relative to the size of the home university, so that for professional services staff, their working lives are preoccupied by their UK-based duties, leaving little time or sympathy for their colleagues in a faraway IBC.

One implication of these two deficiencies for UK universities is that, if a vice-chancellor is predisposed to set up an IBC, the university should employ external consultants to carry out a rigorous and independent feasibility study and develop a robust business plan. In only one of the case studies did the UK university invest in a full-blown, independently-run feasibility study before deciding whether to proceed. In the other cases, the decision to establish an IBC was taken in principle, and considerable political capital invested in the project by the senior leadership team, such that the preparatory work (mostly carried out by university staff) focused on 'how to' rather than 'whether to' proceed. Not precommitting to set up the IBC until the business case has been properly scrutinised is good business practice, but in higher education, an IBC is often conceived as part of a grand vision to become 'a global university' and more junior staff find it safer in career terms to ignore evidence that the leader's vision is flawed.

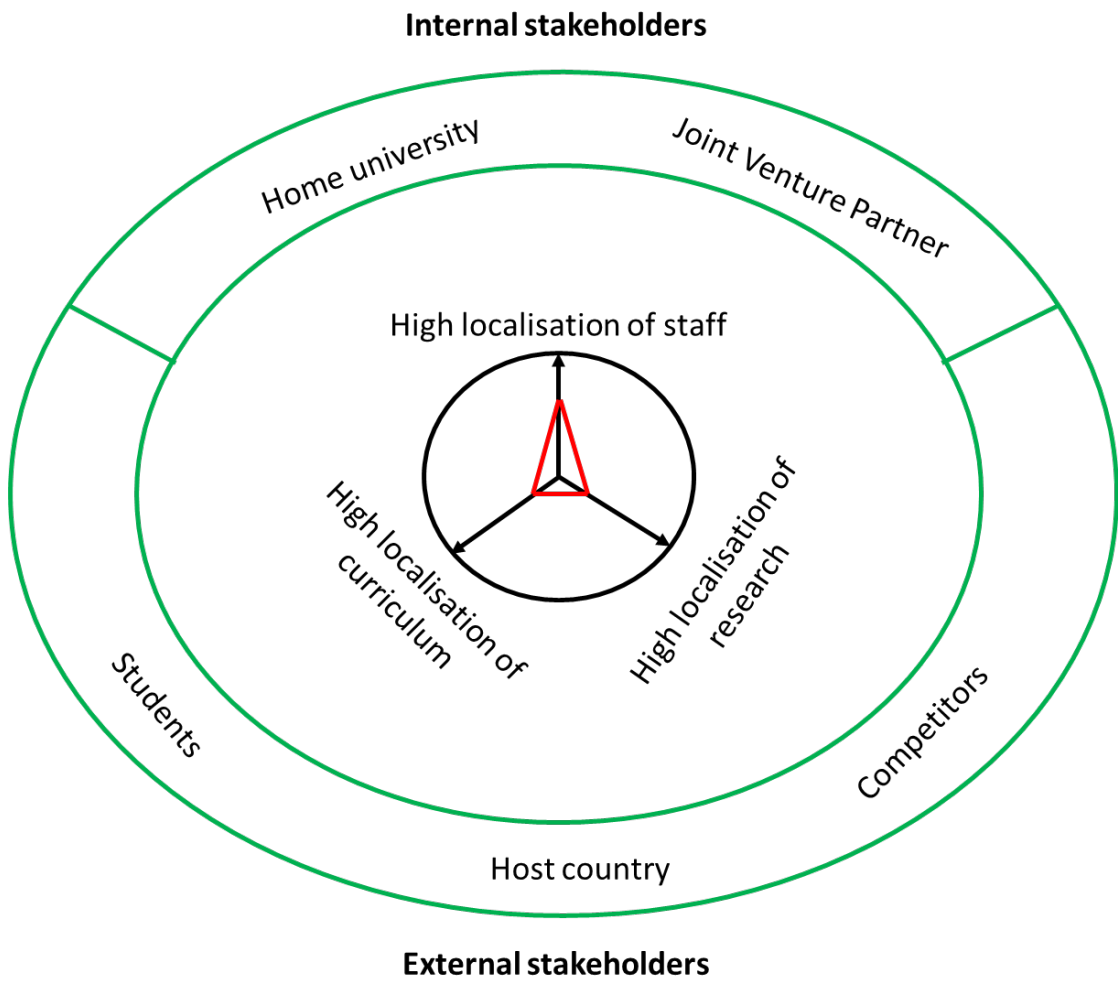
If the decision to proceed is based on a sound business case, a second implication is that the UK university should commit to acquiring the necessary technical expertise to provide the professional services necessary to support the IBC. This may involve hiring HR and accounting staff from a private sector MNC, to the extent that the requisite skills do not exist within the UK higher education sector, or contracting out certain functions to specialist providers (eg, international accounting and legal firms).

7.2.2. Implications for international strategy theory

In terms of the I-R paradigm, the most important findings of this study are the need to understand what dimensions of the organisation can be localised, the pros and cons of localisation and the objectives and relative power of the internal and external stakeholders. The I-R paradigm is a valuable conceptual framework, but without understanding those aspects of the industry or sector being studied, the model has limited operational value. In this sense, the main contribution of this study to international strategy is to highlight the importance of properly contextualising the I-R paradigm for the specific sector being analysed, which can only be done by understanding the nature of the business and the objectives of the stakeholders.

Figure 13 provides a diagrammatic representation of the I-R paradigm in the case of IBCs. At the heart of the diagram is the IBC itself, with the three arrows radiating from the centre of the circle representing the degree of localisation. An IBC which is a clone of the home campus (ie, has zero localisation on any dimension) is a singular dot at the centre of the circle. Around the IBC are the two internal and three external clusters of stakeholders, which exert, to a greater or less extent, a 'gravitational pull' on the IBC, dragging it away from the centre of the circle along one or more of the three arrows. For the reasons explained in Chapter 6, IBCs generally tend to localise the staff base more than the curriculum and research, resulting in the red triangular shape.

Figure 13: The I-R paradigm and international branch campuses



7.2.3. Implications for the future of international branch campuses

Finally, it is interesting to consider the implications of this research for the long-term future of IBCs. As noted in Chapters 2 and 3, IBCs are not new. In a variety of forms, the University of London established a number of IBCs in the first half of the 20th Century and all are now autonomous independent universities. The roll call includes the Universities of Colombo, Peradeniya, Vidyodaya and Kelaniya (Sri Lanka) and the Universities of Ibadan, Nairobi, West Indies and Zimbabwe. Tellingly, there are no examples of such an IBC which has remained tied to the apron strings of its London-based mother.

This study found no evidence that, at the present time, the ‘modern’ IBCs are likely to break away and become independent. Their current competitive positioning, and their value to the host government and students, depends upon them offering a UK educational experience and awarding a UK degree. It is, however, interesting to speculate about the way this might change in future. The stereotypical image of an IBC, encouraged by that way that some universities design their IBCs around architectural clones of the iconic buildings on their home campus, is of an imperialistic colonial outpost, a British university in ‘a corner of a foreign field that will forever be England’. This study has shown the inaccuracy of this stereotype. IBCs are, as a generalisation, incorporated as foreign companies, partly owned by foreign joint venture partners, accredited and regulated by the host Ministry of Education and mostly staffed by foreign academics and administrators.

It is evident that of the three key dimensions of an IBC, namely its staff, curriculum and research, both the staff base and the research agendas can be significantly localised without damaging the sustainability of the IBC. The key dimension that cannot be fully localised is the curriculum. In fact, it is the global integration of the curriculum which technically makes the IBC an IBC and not just a jointly-owned subsidiary of the home university. Recall the ‘principle of transnationality’ introduced in Chapter 3, namely that transnational education involves a university in country A providing an educational service (ie, a degree) to a student in country B. The staff base and the research agenda of the IBC could be completely localised, but it would continue to be an IBC, so long as it offered the award of the UK university. There are, indeed, many hundreds of foreign colleges offering UK degrees on a franchised or validated basis which have no seconded staff and undertake only local, if any, research. But if the curriculum is completely localised, so that the IBC offers its own award rather than that of the home university, it technically ceases to be an IBC because it breaches the principle of transnationality.

There is one well-known example of a ‘modern’ IBC which has made this transition. The University of Wollongong in Dubai is the only foreign university operating in Dubai which is accredited by the UAE’s federal Ministry of Education rather than the Knowledge and Human Development Agency (KHDA), which licenses IBCs. The University of Wollongong in Dubai offers its own degrees, which are locally accredited

on the US model and are four years' long, with a general education syllabus in the freshman year. As a result, the University of Wollongong in Dubai degrees are attractive to Emiratis since, unlike KHDA-accredited IBCs, they are recognised by the UAE government and graduates are able to work in the public sector. Although it still operates under the Australian brand name, the University of Wollongong in Dubai is autonomous and is empowered to develop and offer a range of degrees completely customised for the local market, teaching in Arabic if there were the market demand.

It is instructive to ask which stakeholders may have an incentive to drive the IBC to this degree of localisation of the curriculum at some point in the future. The answer is, most obviously, the host government. As present, its interests are served by the role that IBCs play in building capacity, both by absorbing demand unmet by the domestic higher education sector and by raising the quality of the domestic sector through a demonstration effect. It is for the latter reason that governments in China and Malaysia currently limit the localisation of the curriculum, so that their universities can learn from the pedagogical practice in the foreign IBCs. In the future, however, as the domestic higher education sector develops and matures, the government's need for IBCs on both fronts is diminished. At some point, its interests may be better served by requiring the IBCs, which are already regulated by the host Ministry of Education and licensed to award local degrees, to follow national curriculum requirements and award their own degrees.

The host government is clearly the dominant stakeholder in this regard, since it has the power to instruct the IBCs to modify its curriculum and award local degrees. The Chinese Ministry of Education already requires Sino-foreign universities (IBCs) to teach mandatory Chinese culture courses, which the UK universities accommodate by concentrating them all in a foundation year, after which students enter year I of the standard UK degree. But any host government could require IBCs to teach mandated courses at any level, or change the language of instruction, or increase or reduce the minimum credit hours, at which point the fundamental bond between the IBC and the home university would be broken. At this point, the interest of the foreign joint venture partner, which usually has a majority shareholding, would be to side with its own government in order to ensure the sustainability of the IBC as a business venture.

While this point may be some way off in the future, this analysis does suggest that IBCs may inevitably evolve, in the long term, into autonomous institutions in which the UK universities have an enduring link through the brand name and the residual academic structure and culture, rather than continuing to offer UK degrees. The global diaspora of ‘American legacy’ universities (eg, The American University of Beirut, the American University in Cairo, the American University in Paris) provide an earlier example. Most were set up by American philanthropists, often as branches of a US-based college, and continue to teach a US-style, four-year curriculum in English, sometimes accredited by one of the regional US accreditation agencies (eg, the American University in Paris is accredited by the Middle States Association of Colleges and Schools), but they now are autonomous, private universities awarding degrees in their own right.

7.3. Limitations

Relatively little is known about the management of IBCs because, in their contemporary form, they are a relatively new phenomenon, their activities are shrouded in commercial secrecy and they are a long way from the UK, making access difficult. By adopting an exploratory research methodology and using an ‘insider researcher’ approach (with the investigator essentially interviewing peers), this study has gained unprecedented access to 14 senior managers in nine IBCs of UK universities. Chapter 4 set out some of the inherent limitations of insider research in terms of reliability and validity and the study has sought to minimise these by its research design. However, some of the same factors that account for the dearth of research in this area also meant that, at the point of execution, the sampling frame was not as robust as had been planned.

Originally, the plan had been to focus on six universities and interview two practicing managers and one retired manager for each (18 interviews in total). Despite initial assurances, one of the six universities subsequently refused to participate on grounds of commercial sensitivity. In other cases, managers who had agreed to participate could not make themselves available for interview, because the field work had to be conducted in three intensive ‘time windows’ (Malaysia in April 2014, UAE in May

2014 and China in September 2014) to fit around the investigator's other travel commitments. Although the study ended up including a larger number of IBCs (nine rather than six), because of time constraints and availability, it was not always possible to interview two or more participants from every IBC to ensure the planned level of triangulation. In defence, it is notable that the coding exercise revealed a very high degree of correspondence across all the participants in terms of the issues they identified. On this basis, while a limitation, it does not undermine the robustness of the findings.

7.4. Future directions for research

This study has focused on a group of key actors about whom little is known, namely the managers of IBCs and the challenges they face in balancing the competing demands of stakeholders. The results suggest a number of directions for future research, both to inform management practice as well as to contribute to our understanding of the internationalisation of higher education. One area of future enquiry might be to investigate the motivations of the vice-chancellors who take the decision to establish an IBC. This study has discovered a widespread perception amongst those who work in the IBCs that such ventures only succeed when the vice-chancellors are committed to the enterprise; at the same time, it is generally believed that decision-making at the highest levels is often unbusinesslike and sometimes driven by other considerations, including personal vanity (self-aggrandisement) and herd instinct ('it must be a good idea to set up an IBC because *all* the leading Russell Group universities are setting up IBCs'). The published university plans are often *ex-post* rationalisations of the decisions that have already been taken, rather than the forward looking declarations of intent. If access could be gained to a reasonable sample of current and retired vice-chancellors who had led their universities into setting up IBCs, this would provide valuable insights into the attitudes of the most senior leaders towards this form of internationalisation.

A second, perhaps even more appealing avenue to explore is to investigate the reasons why IBCs fail. While it is interesting to speculate on the long-term sustainability of the

current UK IBCs, the failure of a number of major IBCs around the world provides a treasure trove of the errors and misjudgements to be avoided. The UNSW Asia is unusual, because UNSW is a state university and the failure of the Singapore campus was investigated by the NSW Audit Office, which publicly concluded: ‘the closure of the University’s Singapore campus resulted in the University assuming \$47.6 million of UNSW Asia’s liabilities and closure costs in 2007’ (New South Wales Audit Office 2008). More usually, the status of the university as a charity or incorporated entity means that there is no public enquiry and most failed IBCs suffer an ‘Ozymandian fate’ (The Economist 2015), with buildings quietly sold and websites taken down. A review of the websites of several universities with failed IBCs confirms that, like Ozymandias’s Egyptian empire, there is no longer any sign that the IBC ever existed.

Although there are very few records in the public domain, there are a sufficiently large number of failed IBCs to be able to guarantee the former managers’ confidentiality and anonymity and still produce a valuable set of generalizable findings. In several cases, new managers were hired and tasked with winding up the failing IBCs, so they have a useful perspective on the reasons for the failure without being personally implicated. Semi-structured confidential interviews with an inside researcher provide a powerful way of unlocking the reasons why the IBCs failed, as well as providing insights into why poor decisions were taken and how the power dynamics changed over time. For example, a common theme with many of the North American universities which have closed IBCs seems to have been a reliance on seconded staff, with the aim of recreating a North American academic culture within the IBC. This inflated the tuition costs and meant the IBCs never achieved breakeven enrolment numbers. This begs important questions about the way the business case was developed and the market research undertaken, as well as the ‘groupthink’ (Janis 1973) that might have deterred doubters in a management team from objecting to the venture.

As a final observation, it is notable that, in 2015, higher education is one of the world’s largest sectors. Approximately one in three of the world’s 18-24 year olds now go to university (UNESCO n.d.). The automobile industry, widely regarded as one of the most important global businesses, produced approximately 90m cars in 2014 (International Organization of Motor Vehicle Manufacturers n.d.); in 2012, the last year

for which data are available, global tertiary enrolments had reached 184m (UNESCO n.d.). In many countries, higher education is one of the largest export sectors. The Ranking Web of Universities produces a global ranking for the top 12,000 universities (Webometrics n.d.), while the 2012 version of the same ranking listed 20,369 universities worldwide. On any measure, higher education is a huge and growing sector and one which is internationalising in new and innovative ways. This study represents a modest but valuable attempt to better understand what is happening in the vanguard of the internationalisation of higher education. There will always be a need for further research to keep up with the pace of change in this crucial part of the global knowledge economy.

8. REFERENCES

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9. APPENDIX A

NOTTINGHAM TRENT UNIVERSITY COLLEGE OF BUSINESS, LAW AND SOCIAL SCIENCES

BLSS/College REC Form

APPLICATION FORM FOR ETHICAL APPROVAL OF A RESEARCH PROJECT

For use by members of academic staff and doctoral students

Who should use this form?

You should use this form if you are a member of academic staff or a research degree student (including the DBA or ProfD). If you are a student on a taught masters or undergraduate programme, you should use Form BLSS/School REC.

If you are a PhD student you should normally have received Project Approval before you apply for ethical approval. If there is a problem with this seek advice from your PhD supervisor. Please note, that if following your application for project approval you find that you need to revise your research plans such that this ethics application no longer covers all aspects of your intended project, you will need to submit a revised application for ethical approval.

Can I begin work before the project is ethically approved?

NO primary data collection can begin until a favourable ethical opinion is received from the College Research Ethics Committee or from an external REC, or, alternatively, you have established that your project does not need ethical approval. Collecting primary data in the absence of ethical approval, or in the face of an adverse ethical opinion, may constitute a disciplinary offence.

If, after receiving ethical approval, you change your project such that the information provided in this form no longer holds, the approval will automatically become void, and you should re-apply for ethical approval.

Is there any help available to complete this form?

Yes. Guidance on filling in this form can be found in Guidance Note BLSS/Ethics 01. This document can be found in the ethics section of the University's Research Intranet.

In this site, you will also find documents dealing with specific issues in research ethics, and also some examples of participant information sheets and consent forms.

Further advice is available through the College Research Support Office. Please email Sandra.Odell@ntu.ac.uk

Please make sure that you complete the Declaration at the end of the form. Doctoral students must ask their Director of Studies to countersign the form before it is submitted.

Completing the Form

Which sections should I complete?

Different sections of this form should be completed for different kinds of projects:

If your project involves:	Please complete sections
Desk-research only, using only secondary or published sources	1 and 2
An application to an external research ethics committee (for example, those relating to research in the NHS)	1-4
Collection and/or analysis of primary, unpublished data from, or about, identifiable, living human beings (either in laboratory or in non-laboratory settings)	1-7 Please also complete the checklists in Sections 8–14 and provide information, as requested, if any of the checks is positive
Collection and/or analysis of data about the behaviour of human beings, in situations where they might reasonably expect their behaviour not to be observed or recorded	
Collection and/or analysis of primary, unpublished data from, or about people who have recently died	
Collection and/or analysis of primary, unpublished data from, or about, existing agencies or organisations	
Investigation of wildlife in its natural habitat	1-5. and 15
Research with human tissues or body fluids	Do not complete this form. Please contact the College Research Office for advice
Research with animals, other than in their natural settings.	Do not complete this form. Please contact the College Research Office for advice

Please type or write legibly in dark ink. You are asked to keep your answers as brief as possible but you should provide sufficient detail for members of the Research Ethics Committee to form a view on the ethics of your proposed research. Where it is really necessary, you may use up to one continuation sheet for each Section of the form

Submitting the form

The form should be submitted, either by post or by email, to:

The Research Office of the College of Business, Law and Social Sciences,
Room 4703 Chaucer
Email: Sandra.Odell@ntu.ac.uk

Phone: 0115 848 8117

1 Information about the project

Title of Project
The challenges of managing an international branch campus: an exploratory study
Name of Principal Investigator (PI)
Nigel Healey
Names of co-investigators (CIs) (If any of the CIs are not employed at NTU, please give the name of their organisation)
N/A
How many additional research staff will be employed on the project?
N/A
Please give their names (if known) and their organisational affiliation
Project start date
April 2014
Estimated end date of the project
December 2014
Who is funding the project?
N/A
Has funding been confirmed?
(For research degree students only) Have you applied for and received project approval?
N/A
If so, please give date of approval
(For research degree students only) please provide the name of your Director of Studies
Which learned society's code of ethical practice is most relevant to your project? (<i>for example, the Social Research Association, the British Psychological Society, the Socio-legal Studies Association</i>)
Society for Research in Higher Education (SRHE)

2 Does this project need ethical approval?

	Yes	No
Does the project involve collecting and/or analysing primary or unpublished data from, or about, living human beings?	✓	
Does it involve collecting or analysing primary or unpublished data about people who have recently died, other than data that are already in the public domain?		✓
Does it involve collecting or analysing primary or unpublished data about or from organisations or agencies of any kind, other than data that are already in the public domain		✓
Does it involve research with non-human vertebrates in their natural settings or behavioural work involving invertebrate species not covered by the Animals Scientific Procedures Act (1986). ⁷		✓

If the answer to all the above questions is NO, you do not need to submit your project for ethical approval. You should sign the Declaration at the end of the form, and keep a copy for your own records. Doctoral students must ask their Director of Studies to countersign the declaration, and they should keep a copy, too.

If the answer to any of the above questions is Yes, please proceed to Section 3 below

3 Does the project require Data and Barring Service (DBS) check (formerly CRB checks)

Please refer to Guidance Note BLSS/Ethics 06.

	Yes	No
Does the project involve direct contact by any member of the research team with children or young people under 18 years of age?		✓
Does the project involve direct contact by any member of the research team with adults with learning difficulties; adults who are infirm or physically disabled; adults who are resident in social care or medical establishments; or adults in the custody of the criminal justice system?		✓
Has a DBS check been stipulated as a condition of access to any source of data required for the project		✓

If you have answered Yes to any of these questions, please explain the nature of the contact required by the project, and the circumstances in which it will be made.

⁷ The Animals Scientific Procedures Act (1986) was amended in 1993. As a result the common octopus (*Octopus vulgaris*), as an invertebrate species, is now covered by the act.

4 Is this project liable to scrutiny by external ethical review arrangements?

	Yes	No
Has a favourable ethical opinion been given for this project by an NHS or social care research ethics committee, or by any other external research ethics committee?		✓
Will this project be submitted for ethical approval to an NHS or social care committee or any other external research ethics committee?		✓

If the answer to either of these questions is YES, please sign the declaration at the end of the form, and send a copy to the Research Office. Doctoral students must ask their Director of Studies to countersign the form before submitting it.

Note - if you are applying to an NHS or Social Care REC, you are advised to consult Guidance Note BLSS/ Ethics 03

If the answer to both these questions is NO, please proceed to Section 5.

5 About the project

If the information required below is provided in a succinct form in a previous document, such as your application for external funding or for approval of a PhD project you may submit this document (or preferably the relevant section from it) either in whole or partial answer to the questions below.

- (i) What are the aims and objectives of the project?

There has been a rapid increase in the number of international branch campuses (IBCs) being established around the world, not least by UK universities which, along with their Australian counterparts, have been in the vanguard of this development. There is a limited but growing literature on IBCs. An extensive review of the literature reveals a significant gap, in terms of our understanding of the challenges the managers of IBCs face when operating satellite campuses far from their home campuses. The primary research question is:

- What do the managers of the IBCs of UK universities perceive to be the main obstacles to, and most effective strategies for, 'success'?

There are four related sub-questions:

- What do managers believe to be the purpose of their IBC?
- How do the managers understand and interpret 'success' in relation to the IBC?
- How do the managers perceive the obstacles and challenges in relation to geographic location, regulatory environment, purpose of the IBC and time?
- How do the managers develop and evaluate their strategies over time?

Briefly describe the principal methods, the sources of data or evidence to be used and the number and type of research participants who will be recruited to the project

The research design uses a qualitative research methodology. I am seeking to undertake a number of in-depth, semi-structured interviews with 18 senior managers in 6 IBCs of UK universities. In keeping with this methodology, I want to invite participants to 'tell their story'; that is, to provide a documentary account of their experience of managing an IBC, reflecting on the personal and professional challenges, the strategies used (successfully and unsuccessfully) and the key turning points in events.

- (ii) What research instrument(s) will be used to collect data?

The research will use in-depth, semi-structured interviews.

If you are using an externally validated scale, please specify

N/A

If you are not using an externally validated scale, please attach a copy of the research instrument you will use to collect data (for example, a measurement scale, questionnaire, interview schedule, observation protocol for ethnographic work, or, in the case, of unstructured data collection, a topic list).

The interview uses a semi-structured approach to provide a broad framework, with the questions being open and used to keep the conversation going. Key prompts are as follows:

Please give me a very brief overview of your career to date.

Outline your role within the IBC of University X.

How/why did you come to be in this role?

What did you believe the objective(s) of the University to be in establishing the IBC?

What did you believe the purpose of your role at the IBC to be? What did you think success looked like?

Tell me about your time at the IBC? Tell me about your journey. What was daily life like, at work and at home? What were the highs and lows? What are your most vivid memories?

Tell me about your experiences with:

- Senior managers at your home campus
- Senior managers of the joint venture partner (if appropriate)
- Senior managers at the IBC
- Ex-patriot staff at the IBC
- Local staff at the IBC
- The host government
- Regulators in the host country
- Any other significant stakeholders

What did you enjoy most and least about your time at the IBC?

What factors proved the biggest obstacles to your success? How did you overcome these obstacles? How did your approach to overcoming these obstacles change over time?

What would you have changed if you could have done?

What do you think the IBC will look like in 10 years' time? In 25 years' time?

6 Confidentiality, security and retention of research data

	Yes	No
Are there any reasons why you cannot guarantee the full security and confidentiality of any personal or confidential data collected for the project?		✓
Is there a significant possibility that any of your participants, or people associated with them, could be directly or indirectly identified in the outputs from this project?		✓
Is there a significant possibility that confidential information could be traced back to a specific organisation or agency as a result of the way you write up the results of the project?		✓
Will any members of the project team retain any personal or confidential data at the end of the project, other than in fully anonymised form?		✓
<p>If the answer to <u>all</u> these questions is No, please explain briefly how you will ensure the confidentiality and security of your research data, both during and after the project</p> <p>The interview recordings and transcripts will be held on a secure NTU server. The participants will be assigned letter codes and the recordings and transcripts will be stored only by this letter code. The Word file with the key to the participants will be password protected. The participants will be sent copies of the transcripts and asked if there is anything they wish to remove for reasons of sensitivity before they are analysed.</p>		
<p>If the answer to <u>any</u> of these questions is YES, please explain:</p> <ul style="list-style-type: none"> - why it is necessary for the research to be conducted in the way you propose, such that the usual standards of confidentiality and security cannot be respected - what steps will you take to maximise confidentiality and security, within the constraints imposed by the research design - what steps you will take to ensure that participants understand and consent to the implications of these constraints? 		

7 Informed consent

Please see Guidance Note BLSS/Ethics 02 for examples of model participant information sheets and participant consent forms, together with advice on how to use them

	Yes	No
Will all participants be fully informed why the project is being conducted and what their participation will involve, and will this information be given before the project begins?	✓	
Will every participant be asked to give written consent to participating in the project, before it begins?	✓	
Will all participants be fully informed about what data will be collected, and what will be done with these data during and after the project?	✓	
Will explicit consent be sought for audio, video or photographic recording of participants?	✓	
Will every participant understand what rights they have not to take part, and/or to withdraw themselves and their data from the project if they do take part. Will they also understand that they do not need to give you reasons for exercising these rights and that there will be no repercussions as a result?	✓	
If the project involves deceiving, or covert observation of, participants, will you debrief them at the earliest possible opportunity?	N/A	
<p>If the answer to <u>all</u> the above questions is YES, please explain briefly how you will implement your answers. You are advised to attach copies of your participant information sheet and consent form as evidence of your plans.</p> <p>See attached consent form.</p>		
<p>If the answer to <u>any</u> of the above questions is NO, please explain:</p> <ul style="list-style-type: none"> - why it is academically necessary for the project to be conducted in a way that will not allow all participants the opportunity to exercise fully-informed consent - and how you propose to address the ethical issues arising from the absence of transparency. <p>You are advised to attach copies of your participant information sheet and consent form as evidence of your plans.</p>		

Consent for Participation in Interview Research

I volunteer to participate in a research project conducted by Nigel Healey from Nottingham Trent University. I understand that the project is designed to gather documentary accounts of experiences of managing an IBC, reflecting on the personal and professional challenges, the strategies used (successfully and unsuccessfully) and the key turning points in events. I will be one of approximately 20 people being interviewed for this research.

1. My participation in this project is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue participation at any time without penalty.
2. If I feel uncomfortable in any way during the interview session, I have the right to decline to answer any question or to end the interview.
3. Participation involves being interviewed by Nigel Healey from Nottingham Trent University. The interview will last approximately 90 minutes. The interview may be extended only with my express agreement. Notes will be written during the interview. An audio tape of the interview and a transcript will be made. I will be provided with a transcript of the interview and directed to any specific section where I may be easily identifiable from my comments. I will be allowed to retract or clarify any information in the transcript.
4. I understand that the researcher will not identify me by name or institution in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.
5. Transcripts or raw data of any kind will not be shared with any other person or institution except for the purposes of transcription, where the transcriber is under obligation to preserve anonymity.
6. I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.
7. I have been given a copy of this consent form.

Signature _____ Printed Name _____

Investigator Signature _____ Date _____

For further information, please contact:

Professor Nigel Healey, College of Business, Law and Social Sciences, Nottingham Trent University. Email: nigel.healey@ntu.ac.uk

8 Risk of harm

(If there is any possibility that the project involves significant risks to researchers, you are advised to consult Guidance Note BLSS/Ethics 04 on the assessment and management of risk, and to submit a risk assessment form to the relevant authority).

Is there any significant risk that your project may lead to:	Yes	No
• Physical harm to participants or researchers?		✓
• Significant psychological or emotional distress to participants		✓
• Harm to the reputation of participants, or their employers, or of any other persons or organisations?		✓

If the answer to any of these questions is YES, please explain:

- the nature of the risks involved, and why it is academically necessary for the project to incur them
- how you propose to mitigate them
- the arrangements by which you will ensure that participants understand and consent to these risks
- any arrangements you will make to refer participants to sources of help, if they are seriously distressed or harmed as a result of taking part in the project
- your arrangements for recording and reporting any adverse consequences of the research

9 Risk of disclosure of harm or potential harm

If the project is likely to involve work with children, or the discovery of physical or mental abuse of children, you should consult the Nottingham Trent University Policy on Child Protection (available in the BLSS Ethics Toolkit) before completing this section of the form.

	Yes	No
Is there a significant risk that the project will lead participants to disclose evidence of previous criminal offences, or their intention to commit criminal offences?		✓
Is there a significant risk that the project will lead participants to disclose evidence that children or vulnerable adults are being harmed, or are at risk of harm?		✓
Is there a significant risk that the project will lead participants to disclose evidence of serious risk of other types of harm?		✓
<p>If the answer to either question is YES, please explain:</p> <ul style="list-style-type: none"> ○ why it is academically necessary for these risks to be incurred ○ what actions you would take, if such disclosures were to occur ○ whether you will take advice before taking these actions, and from whom ○ what information you will give participants about the possible consequences of disclosing information about criminal or serious risk of harm 		

10 Payment of participants

	Yes	No
Do you intend to offer participants cash payments or any other kind of inducements or compensation for taking part in your project?		✓
Is there any significant possibility that such inducements will cause participants to consent to risks that they might not otherwise find acceptable?	N/A	
Is there any significant possibility that the prospect of payment or other rewards will systematically skew the data provided by participants in any way?	N/A	
Will you inform participants that accepting compensation or inducements does not negate their right to withdraw from the project?	N/A	
<p>If the answer to any of these questions is YES, please explain:</p> <ul style="list-style-type: none"> - the nature of the inducements or the amount of the payments that will be offered - the reasons why it is necessary to offer them - why you consider that they are ethically and methodologically acceptable 		

11 Capacity to give valid consent

Please note that, from October 2007, research involving people who are mentally incapacitated and cannot give valid consent must be cleared through the NHS research ethics procedures, not through a University REC

Do you propose to recruit any participants from the following groups?	Yes	No
• Children under 18 years of age		✓
• People with learning difficulties		✓
• People with communication difficulties, including difficulties arising from limited facility with the English language		✓
• Very elderly or infirm people		✓
• People with mental health problems or other medical problems that may impair their cognitive abilities		✓
• Any other people who may not be able fully to understand the nature of the research and the implications for them of participating in it		✓

If you have answered YES to any of these questions, please explain how you will ensure that the interests and wishes of participants (and in the case of children, the wishes of their parents or guardians) are understood and taken into account.

12 Is participation genuinely voluntary?

Are you proposing to recruit participants from the following groups?	Yes	No
<ul style="list-style-type: none"> Employees or students of NTU or of organisation(s) that are formal collaborators in the project 		✓
<ul style="list-style-type: none"> Employees recruited through other business, voluntary or public sector organisations 		✓
<ul style="list-style-type: none"> Pupils or students recruited through educational institutions 		✓
<ul style="list-style-type: none"> Clients recruited through voluntary or public services 		✓
<ul style="list-style-type: none"> People living in residential communities or institutions 		✓
<ul style="list-style-type: none"> People who are in-patients in a hospital or other medical establishment 		✓
<ul style="list-style-type: none"> People recruited by virtue of their employment in the police or armed services 		✓
<ul style="list-style-type: none"> People being detained or sanctioned in the criminal justice system 		✓
<ul style="list-style-type: none"> Other people who may not feel empowered to refuse to participate in the research 		✓
<p>If you have answered YES to <u>any</u> of these questions, please explain how your participants will be recruited, and what steps you will take to ensure that their participation in this project is genuinely voluntary</p>		

13 Online and Internet Research

If you intend to conduct any part of your project online, please consult Guidance Note BLSS/Ethics 05 before completing this section

	Yes	No
Will any part of your project involve collecting data by means of electronic media, such as the internet or email?		✓
Is there a significant possibility that the project will encourage children under 18 to access inappropriate websites, or correspond with people who pose risk of harm?		✓
Is there a significant possibility that the project will cause participants to become distressed or harmed, in ways that may not be apparent to the researcher(s)		✓
Will the project incur any other risks that arise specifically from the use of electronic media?		✓
<p>If the answer to any of these questions is YES, please explain:</p> <ul style="list-style-type: none"> ○ why you propose to use electronic media ○ how you propose to address the risks associated with online/internet research, especially those flagged above (if relevant) <p>Please ensure, too, that your answers to other questions in this form address these questions in ways that are relevant to online research.</p>		

14 Other ethical risks

	Yes	No
Are there any other ethical issues or risks of harm raised by your project that have not been covered by previous questions?		✓
<p>If you have answered YES, please explain:</p> <ul style="list-style-type: none">○ the nature of these issues and risks○ why you need to incur them,○ and how you propose to deal with them		

15 Research with non-human vertebrates in their natural settings or behavioural work involving invertebrate species not covered by the Animals Scientific Procedures Act (1986).⁸

	Yes	No
Will any part of your project involve the study of animals in their natural habitat?		✓
Will your project involve the recording of behaviour of animals in a non-natural setting that is outside of the control of the researcher?		✓
Will your field work involve any direct intervention other than recording the behaviour of the animals available for observation?		✓
Is the species you plan to research endangered, locally rare or part of sensitive ecosystem protected by legislation?		✓
Is there any significant possibility that the welfare of the target species or those sharing the local environment/habitat will be detrimentally affected?		✓
Is there any significant possibility that the habitat of the animals will be damaged by the project, such that their health and survival will be endangered?		✓
Will project work involve intervention work in a non-natural setting in relation to invertebrate species other than <i>Octopus vulgaris</i> ?		✓
<p>If you have answered Yes to any of these questions, please explain:</p> <ul style="list-style-type: none"> ○ the reasons for conducting the project in the way you propose, and the academic benefits that will flow from it ○ the nature of the risks to the animals and their habitat ○ how you propose to mitigate these risks 		

⁸ The Animals Scientific Procedures Act (1986) was amended in 1993. As a result the common octopus (*Octopus vulgaris*), as an invertebrate species, is now covered by the act.

Principal Investigator's Declaration

Please tick all the boxes relevant to your project, and sign this form. Doctoral students must ask their Director of Studies to countersign it before it is submitted.

I believe that this project does not require the approval of a research ethics committee. I have completed Sections 1-2 and kept a copy for my own records	
I request that this project is exempt from review by the College Research Ethics Committee, because it will be, or has been, reviewed by an external REC. I have completed Sections 1-4 and attach/will attach a copy of the favourable ethical review issued by the external REC Please give the name of the external REC here	
I request a statement of ethical approval from the College of BLSS Research Ethics Committee, and confirm that I have answered all relevant questions in this form honestly	✓
I confirm that I will carry out the project in the ways described above, and that I will request a fresh ethical approval if the project subsequently changes in ways that materially affect the information I have given in this form	✓
I confirm that I have read and agree to abide by the code of research ethics issued by the relevant national learned society, and that I have ensured that all members of my research team (if any) also do so	✓
I confirm that I have read and agree to abide by the University's Research Governance Framework, and that I have ensured that those members of my research team (if any) who are employees of Nottingham Trent University also do so	✓



Signed

(Principal investigator)

Date 28/03/14

I have read this form, and confirm that it covers all the ethical issues raised by this project fully and frankly. I also confirm that these issues have been discussed with the candidate, and will continue to be reviewed in the course of supervision.

Note: If you are submitting this form by email, you should type your name in the signature space: an email attachment sent from your university inbox will be assumed to have been virtually signed by you.

If you are a doctoral student and are submitting this form by email, please attach an email from your DoS confirming that they are prepared to make the declaration above and to countersign this form: this email will be taken as a virtual countersignature.

10. APPENDIX B

Participant Information Sheet

Project title: The challenges of managing an international branch campus: an exploratory study

Investigator: Professor Nigel Healey, College of Business, Law and Social Sciences, Nottingham Trent University NG1 4BU, United Kingdom

Invitation to participate:

I would like to invite you to participate in this original research project. You should only participate if you want to; choosing not to take part will not disadvantage you in any way. Before you decide whether you want to take part, it is important for you to understand why the research is being done and what your participation will involve. Please take time to read the following information carefully and discuss it with others if you wish. Please ask if there is anything that is not clear or if you would like more information.

Purpose of the research:

While there has been a rapid increase in the number of international branch campuses (IBCs) being established around the world, the academic (as opposed to grey) literature on IBCs is limited. There is a particular gap in terms of our understanding of the challenges the managers of IBCs face when operating satellite campuses far from their home campuses. My primary research question is:

- What do the managers of the IBCs of UK universities perceive to be the main obstacles to, and most effective strategies for, ‘success’?

There are four related sub-questions:

- What do managers believe to be the purpose of their IBC?
- How do the managers understand and interpret ‘success’ in relation to the IBC?
- How do the managers perceive the obstacles and challenges in relation to geographic location, regulatory environment, purpose of the IBC and time?
- How do the managers develop and evaluate their strategies over time?

How Long Will the Study Last?

Interviews with managers and former managers of IBCs will take place between April and September 2014. Each interview will take approximately 90 minutes. Approximately 20 managers and former managers will be interviewed.

How will the data be used?

The data will be analysed using grounded theory to develop a deeper understanding of the challenges facing managers of IBCs. The results will inform management practice in the emerging area of transnational higher education.

Ethics and Confidentiality:

This research project has received the approval of the College of Business, Law and Social Sciences Ethical Committee at Nottingham Trent University. Confidentiality is an important aspect of the research and is discussed in depth with each participant to ensure that no disadvantage occurs as a result of the research. Individual participants will have the right to review typed transcripts of their interview and may keep copies of these for their own purposes.

No organisation or individual, other than the investigator named above, will have access to audio recordings or transcripts.

Agreeing to take part:

If you are happy to take part, please respond to the invitation email and a suitable interview time and place will be arranged with you. If you agree to take part in this study, you will be asked to sign the Consent Form attached when you are interviewed. You will be given a copy of both the Participant Information Sheet and the Consent Form to keep.

Investigator contact:

Email: nigel.healey@ntu.ac.uk

Tel: +44 115 848-3755

Mob: +44 7799 342-587

11. APPENDIX C



Consent for Participation in Interview Research

I volunteer to participate in a research project conducted by Nigel Healey from Nottingham Trent University. I understand that the project is designed to gather documentary accounts of experiences of managing an IBC, reflecting on the personal and professional challenges, the strategies used (successfully and unsuccessfully) and the key turning points in events. I will be one of approximately 20 people being interviewed for this research.

1. My participation in this project is voluntary. I understand that I will not be paid for my participation. I may withdraw and discontinue participation at any time without penalty.
2. If I feel uncomfortable in any way during the interview session, I have the right to decline to answer any question or to end the interview.
3. Participation involves being interviewed by Nigel Healey from Nottingham Trent University. The interview will last approximately 90 minutes. The interview may be extended only with my express agreement. Notes will be written during the interview. An audio tape of the interview and a transcript will be made. I will be provided with a transcript of the interview and directed to any specific section where I may be easily identifiable from my comments. I will be allowed to retract or clarify any information in the transcript.
4. I understand that the researcher will not identify me by name or institution in any reports using information obtained from this interview, and that my confidentiality as a participant in this study will remain secure. Subsequent uses of records and data will be subject to standard data use policies which protect the anonymity of individuals and institutions.
5. Transcripts or raw data of any kind will not be shared with any other person or institution except for the purposes of transcription, where the transcriber is under obligation to preserve anonymity.
6. I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study.
7. I have been given a copy of this consent form.

Signature _____ Printed Name _____

Investigator Signature _____ Date _____

For further information, please contact:

Professor Nigel Healey, College of Business, Law and Social Sciences, Nottingham Trent University. Email: nigel.healey@ntu.ac.uk